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Marxism Today

EDITORIAL COMMENTS

EMILE BURNS — THE NEW TORY OFFENSIVE AND LABOUR POLICY

GEORGE THOMSON — MARXISM AND SPIRITUAL VALUES

LON ELLIOTT — ON THE TWENTY-FIFTH ANNIVERSARY OF THE SPANISH WAR

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DISCUSSION: R. PALME DUTT — SOME POINTS ON CAPITALISM'S ECONOMIC PROSPECTS

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Marxism Today

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Editorial Comments

THE Economic Institute of the German Democratic Republic recently published a report dealing with economic growth in West Germany that is of very great interest in view of the Common Market controversy.

It is a commonplace that West Germany is able to invest a greater proportion of its national income in capital development than any other country in the capitalist world and its productivity is rising to a greater extent than in any other capitalist country. How has it been able to achieve this? West Germany is investing a greater proportion of its gross social product in capital development, particularly in those industries which are liable to yield the greatest returns. The percentages for 1959 are West Germany 23; France 17.8; Great Britain 15.5 and U.S.A. 17 per cent.

One of the reasons for this is the much higher rate of exploitation in the West German economy. Wages and salaries in West Germany were 37 per cent of the net national income in 1959, as compared with 56 per cent in Britain and 56 per cent in the United States. British hourly wages in 1959 were 45 per cent higher than West German wages, and American wages were 176 per cent higher. Individual consumption of goods took 59 per cent of the gross national income of West Germany in 1959 as against 65 per cent in the U.S., 66.3 per cent in France and 66.5 per cent in Britain.

Not only do West German capitalists by and large squeeze more surplus value out of the workers but in the post-war period they have wasted less of their resources on so-called defence expenditure. In the first post-war years they had no direct defence expenditure but paid part of the costs of maintaining the allied armies, which was naturally much less than the military expenditure of Britain, France or the U.S.A. Even after the establishment of their own armed forces their "defence" expenditure (though growing) forms a smaller part of their national income than is the case in most other capitalist countries. The 1959 percentages are West Germany 5.1; U.S.A. 11; France 8.1; Britain 7.9.

It is interesting to note that in the years from 1951 to 1959 the U.S.A. and Britain spent much more on so-called "defence" expenditure than on capital investment. Britain's expenditure on "defence" was 12 per cent greater than its expenditure on capital development (public and private) and America's was 17 per cent greater, whereas France's expenditure on arms throughout this period was only 80 per cent of its expenditure on capital development and West Germany's only 35 per cent, though as we have said, this proportion has been steadily growing in recent years.

The secret of the West German "economic miracle" is fairly clear. The monopolists squeezed a greater amount of surplus value out of the workers; they had less of this surplus value taken from them in the form of taxes to support military expenditure, they were, therefore, able to plough back a larger proportion of their profits to support further capital development.

If other capitalist groups had had the same success in holding down their workers, would they, too, have had "economic miracles"? We doubt it. If every capitalist country had done the same thing the vast growth of productive capacity would speedily have caught up with the limited consuming power of society and the recessions would have been greater. West Germany, to a certain extent, has got away with it because some other capitalist countries have not been able to squeeze their workers to a similar extent.

If Britain gets in to the Common Market, however, it will have to meet the fierce competition of the German "rogue elephant" and there will be a great stimulus to the tendency, already strong in any case, for the British employers to seek to halt wage increases, and to increase profits, as a basis for more aggressive competition and more rapid accumulation.

Any Man's Death

Ernest Hemingway certainly exercised a considerable influence on modern English prose. It was a double-edged influence, a release and a constriction. Trying to make articulate the dignity of the Common Man, he managed in the end to reduce the humanity he wanted to reveal.

He cut through a great deal of pomposity and polite gentility. As Hazlitt said of Fielding: "If he had been found quietly at his tea, he would never have left behind him the name he had done. There is nothing of a tea inspiration in any of his novels." Hemingway's world is the world of action. No twentieth-century writer has had such narrative power, and it is seen at its best in many of the early stories, in parts of *For Whom the Bell Tolls* and, above all, in the account of the retreat from Caporetto in *A Farewell to Arms*. The latter

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novel is Hemingway's best memorial, the truest expression of his great talent. Here the young American radical expressed his rejection of the old order of hypocrisy and violence and, at least in some measure, a sense of his solidarity with the poor and exploited, the Italian peasants and mechanics who hate and understand the First World War. But even in *A Farewell to Arms* there is a certain falsity, a dangerous sentimentality in the positive values, and Hemingway never found his way out of this. At bottom he liked the world of gin-drinking expatriate Bohemians vividly evoked in *The Sun Also Rises* more than he despised it. Toughness became—not exactly a pose, for Hemingway was sincere—but a kind of escapism, an alternative to harder thinking and more critical feeling. And it was an alternative which suited only too well the book of the enemy—Hemingway's enemy as well as ours—American capitalism.

Hollywood and the tycoons he hated were able too easily to turn tough austerity into brutal insensitivity, to convert, with a flick of the wrist, the sad, lonely, disillusioned hero of *A Farewell to Arms* into the All-American Boy, athletic, sexy, and cynical. Naive in the worst, not the best, way. And though the major fault lay in the situation, Hemingway himself contributed. A demon of sentimentality—about women, about the life of action, even about the Common Man he wanted to serve—undermined him as an artist. And the final irony came with the panegyric read at the death of Ernest Hemingway, friend of Cuba, by rich Jack Kennedy who, as he has been telling the world, is "really a revolutionary".

Soviet Higher Education

Last month people from all parts of the Soviet Union took part in a conference of workers from higher educational establishments, which opened in the Kremlin on July 4th. The 2,500 delegates included university rectors, directors of higher educational institutions, professors, lecturers, members of Economic Councils, and representatives of various Ministries and Departments.

A message of greeting from the Central Committee of the Communist Party of the Soviet Union and from the U.S.S.R. Council of Ministers drew attention to the important part played by graduates of higher educational establishments in the development of Soviet national economy. Tribute was paid to the contribution made by teaching staffs of universities and institutes for their work on such problems as the peaceful use of atomic energy, the development of electronics and space exploration. The main task now confronting Soviet higher education, the message stated, was to reach a higher level in the training of specialists on the basis of the combination of studies with socially useful work.

The main report at the Conference was made by the Minister of Higher and Specialised Secondary Education, Vyacheslav Yelyutin. He told the Conference that the total number of students at Soviet higher educational establishments was now 2,400,000—twice as many as in all the capitalist countries of Europe taken together. Over three and a half million persons with a higher education were employed in Soviet national economy. The number of engineers with diplomas in the U.S.S.R., he stated, was more than double the number in the United States, whilst over three times as many engineers were graduating in the Soviet Union as in America.

One of the most impressive developments that was reported at the Conference was the progress of higher education in the various Soviet Republics where once, not so very long ago, higher education was almost entirely unknown. For instance, the Minister reported that in the Central Asian part of the U.S.S.R. there were now 92 students for every 10,000 members of the population, compared with 40 in France, 34 in Italy and 31 in Western Germany.

Tuition at the higher educational institutions is free of charge. Students who need aid can obtain it from the State and every graduate is sure of employment in accordance with his profession and inclinations.

Another interesting development, in line with recent policy decisions, was the measures taken to bring education in closer contact with practical work. Combined factory and higher educational establishments have now been set up at a whole number of large industrial enterprises in Moscow, Leningrad, Rostov-on-Don, and other cities, and here the students are mainly workers from these enterprises. Along the same lines a whole number of agricultural institutes are directly linked with State Farms.

Aid For What?

When the figures of American "aid" are from time to time made public, the question is bound to be asked—aid for what? Is the aid to help the poorer sections of the underdeveloped countries or only to enrich the rich? Is it for peace, or is it for war?

Sometimes an answer to this question comes from surprising sources, and a case in point is the article in *The Times* of July 5th, 1961, on Ameri-

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can aid to Iran, under the apt title *Spoilt by a Surfeit of Aid*.

The West, declared the article, cannot be content that "inflation, economic dislocation, corruption, some unhealthy fat, and an attitude of 'there-is-plenty-more-where-that-came-from' have all slipped in behind American aid". The article states that an American "who lives and breathes economics" had admitted, after calculating the hundreds of millions of dollars the United States had put into Iran in the past ten years, that it was precisely that same decade which had produced "foreign exchange deficiencies, chronic balance of payments gaps, corruption in contracts on a scale unheard of". He cited the example of the dispatch from the U.S.A. to Teheran of dehydrated mashed potatoes, a strange item for a country three-quarters of whose population are peasant farmers.

Since 1952 or thereabouts American grants and loans in several forms to Iran have totalled about £405 million, of which almost half has been for direct *military* aid. The Iranian Army and Air Force are today trained, equipped and advised by the United States and there is an American Military Mission about 400-strong in Iran.

The corruption which has accompanied the "aid", the article admits, is not by any means all Iranian—"American and British contractors are involved, too." Every prosperous family in Iran, we are informed, deputes one man from its ranks to organise the corruption—"by lifting the telephone, such a man can guide the direction of a big contract, and get £20,000 or more paid into a Swiss or some other foreign bank account".

Advertising — TV Trends

Statistics of the nation's production, productivity, average wages have long been the stock in trade of the economist. Now commercial TV has given the economist another index: because of the strong competition between advertisers, some quite elaborate statistics are today being published, which can shed some interesting light on the nation's economic health. The publishers of *The Statistical Review of Press Advertising* and *The Statistical Review of Independent Television Advertising* in a recent Bulletin have shown the relative trends in TV and press advertising for the three months from January to March this year as compared with the same period last year.

Advertisers spent on air time (which does not include the cost of *producing* the commercial "spots"), 20.6 per cent more in the first quarter of this year than in 1960—a total in 1961 of £22,199,000 or nearly £1,750,000 a week. Press advertising was a mere 1.4 per cent up with a total for the 1961 quarter of £31,560,000. Against this background the Bulletin's publishers point to considerable changes in the field of consumer durables (a) cookers, space heaters and wash boilers (gas); (b) electrical appliances, cookers, space heaters, wash boilers; (c) refrigerators; (d) sewing machines and knitting machines; (e) vacuum cleaners, and (f) washing machines. There are shifts of expenditure in these categories, such as in (a) gas cookers etc., where an economy in press expenditure is not quite made up for with a boost in TV advertising (compared with last year), and a reduction by nearly a third in press advertising for vacuum cleaners together with a slashing of TV advertising from £51,200 in January-March 1960 to a paltry £1,600 during the same period this year. While such shifts may be symptoms of all sorts of narrower problems in these individual industries, what appears significant is that, in most of the categories listed, advertising expenditure has been cut, and where there has been an increase (as in the case of both press and TV ads. for refrigerators, and as in the case of TV advertising only for washing machines), the increase is below the average increases in press and TV spending for all goods and services.

When there are slumps in industries, the innocently optimistic advertising agent might be tempted to tell his client "to beat the slump and sell your goods, step up your advertising." But it rarely works that way, and advertising is often cut alongside the factory wage bills. It is in this indirect way, therefore, that such trends in advertising expenditure can act as symptoms of the position of some industries. Of themselves they prove little of conclusive importance, though they can often act as pointers to other deeper examinations.

Bingo

The bustling and the pushing in the TV world make the changes in the cinema seem a little sad. Bingo—another name for the more familiar housey-housey or tombola—has given some cinema halls a fresh lease of life, causing some to be reopened and others not to close. Clutching at this straw, some cinema exhibitors have plumped for quick returns from what they realise may only be a short-lived craze, hoping all the while that our gambling instincts will give it staying power. Here is perhaps the latest illustration of the truth of the statement of the assistant managing director of the Rank Organisation, Mr. Kenneth Winckles [ref: *The Daily Cinema*

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(16.16.61)] that the figures of the number of cinemas, their seating capacity and the number of admissions show that the public has found other things apart from watching cinema films on which to spend its leisure money—a point of view less startling today that some ten years ago when the Communists in the film business put it forward.

While the 4,706 U.K. cinemas sold 1,514 million admission tickets in 1948, the 3,107 cinemas of last year only sold 515 million. Says Mr. Winckles sadly: "Whilst we still command a weekly audience of ten million, the industry has lost its monopoly of providing mass entertainment". Not that many readers of these notes are likely to shed any tears for Mr. Winckles, Lord Rank and others of the monopoly class. It has been noted in *Marxism Today* that the film monopolists have stakes in television as well as having diversified their activities into other fields of entertainment such as dance studios and dance halls, gramophone records and a number of others. Bingo is merely the latest in the chain.

Soldiers Versus Generals

From the progressive French press and, in particular, from our colleague *La Nouvelle Critique* (issue of June 1961) information has now reached us on the role played by French soldiers and N.C.O.s in defeating the fascist generals' putsch of April last. Here, for instance, are a number of extracts from letters from men of the armed forces of France, written during the critical days:

A gunner writes (April 24th): "On Saturday morning, April 22nd, the N.C.O.s and the men informed our Captain that they were firmly decided to fight against the factious generals. The whole battery, along with a number of other groups, formed a Vigilance Committee responsible for checking any activities in support of the rebels amongst the senior officers . . . as soon as the affair is over we shall have to cut out the whole gangrene which infects the army. . . ."

A soldier writes (April 23rd): "What can become a determining factor here in Algeria is the action that we, the soldiers of our unit, started to take on the morning of April 22nd. . . . The reaction of the N.C.O.s was excellent and at times violent, and feeling is growing. There are also a number of Republican and Gaullist officers who are supporting us in our resistance to the putsch. The whole unit is a hundred per cent solid. All the lads are calm, are awaiting news and are getting themselves organised. We are determined to stop the senior officers dragging us over to the side of Challe. As for the 'paras', the Foreign Legion etc., nobody can stick them and this is nothing new; if they come here we will be ready to receive them. . . ."

A company sergeant major writes (May 1st): "It was a real pleasure to have witnessed the actions of the soldiers and N.C.O.s along with the loyal officers during the four days. And what a decisive role we played in defeating the rebel generals! Without this unity and vigilance the General Staff in Algeria would have imposed the policy of the rebels on the army in the name of 'the unity of the army', a slogan which the fascists have often used and abused."

A sergeant writes (May 3rd): "This morning I had a discussion with my lieutenant who said to me, laughing: 'You can tell your lads that it was their action that stopped many officers taking part in the rebellion'."

The Airmen of Bleida

Perhaps the best example is a letter from a flight sergeant stationed at Bleida, who recounts the events that took place in his unit.

"The events that we have just lived through at Bleida were very typical of the feeling amongst the forces stationed in Algeria during the four days of the putsch. From Saturday, April 22nd, all the lads got organised along with their junior and senior N.C.O.s . . . on our own initiative we strengthened the guard all around the camp. At all the entries to the base we organised a rigid system of inspection and kept out all the 'Challists' who tried to get in.

"A lieutenant-colonel who had come out on the side of the rebels managed however to get in by an entry that was insufficiently guarded. He was immediately surrounded by young airmen who crowded around him crying: 'What is your position?' His reply was contemptuous: 'It is not for me to answer you!' The shouts redoubled: 'Your position? With the fascists or with the Republic? Your position?' Scarlet and ashamed he retreated before the airmen by the very same gate by which he had entered, muttering threats as he went.

"On Sunday and Monday the movement gained in strength and the whole base united against the fascists of Algiers. . . .

"On Tuesday we organised the flight of a number of planes, to withdraw them from the hands of the rebels: the 'N-2,500' took flight despite the enormous risks taken by their pilots. On this same Tuesday two N.C.O.s left for France, taking with them the list of all officers from the base who were supporting the fascists.

"Meanwhile we started the fight for arms at

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the base because the paras of the Legion had arrived in the neighbourhood, whilst no arms at all had been distributed for our defence. We demanded arms but the captain replied that he had not got the key to the armoury. 'Doors can be broken,' shouted dozens of voices. The captain quickly rediscovered his memory: 'Wait a moment! The key is with Captain X . . .' In short, he returned a few minutes later with the famous key and gave it to us. Arms were distributed and we transformed the base into a strongpoint for the Republic of 4,000 men armed with automatic weapons.

"Some paras had been established near the base . . . and they returned to try and get possession of it. Our C.O., a non-Challist, strengthened by our struggle, seems at this moment to have broken off relations with his own senior officer, who was a rebel. He found the radio frequency of the Legion paras and said to them: 'This is the position at the base: I dispose of 4,000 men, armed to the teeth, and determined to resist you without mercy! If you look up in the air you will see the "T-6" and I have just given orders for the take-off of our bombers. All these planes await my orders to attack you and to launch their bombs! The choice is yours!'

"The paras did not insist, they left and we heard them communicating by radio with Algiers, 'The Bleida Base is impregnable.'

"Very typical was the attitude of the Arabs and this helped to strengthen our morale at a critical moment. The fascist lieutenant-colonel had redirected the food supplies away from our base and sent them to the Legion, and we were wondering how to secure food supplies for 4,000 men if the situation should last. Many Arabs came to us and said: 'Don't worry about food! The Arab traders have plenty of food, enough for 4,000 men for several days, and even after that the Arab population will ensure your food supply as long as is necessary. You will always have enough to eat!'

"Thus our base became an independent and solid strongpoint against the putsch."

Welcome Guests

Gagarin's welcome in London and Manchester exceeded all expectations—and the Foreign Office, having blundered from the start, is now apologising for it to Kennedy and Adenauer, and trying to dismiss any suggestion that it had any political implications. Taken together, however, with the welcome given to the Leningrad State Kirov Ballet in London and to our Royal Ballet in Moscow, and the interest shown by tens of thousands of visitors to the Soviet Exhibition at Earl's Court, it all adds up to a clear expression of the growing friendship between the British and Soviet peoples which cold-war propaganda has been unable to stop.

The New Tory Offensive and Labour Policy

Emile Burns

DURING recent weeks there has been increasing talk of crisis and of severe Government measures to meet it. These will be announced before this article appears: but statements by Macmillan, Selwyn Lloyd and Butler, as well as editorial articles in the press, make it clear that they will be directed primarily against the living standards of the working class, though a fictitious restriction of profits may be thrown in to persuade the workers that they will be getting only a fair share of the sacrifices demanded.

Increases in indirect taxation and drastic cuts in social service plans coupled with a wage freeze have been foreshadowed, with the general aim of reducing each family's expenditure—that is, cutting real wages—by an average of ten shillings a week. It is the heaviest attack on the working class yet made by the Tory Government.

A *Times* leader of July 13th said the danger is that these measures "may, if they are severe enough, bring about such a change that both political and public fears about the economy may be lulled", but "no matter what the measures may be they will not, on their own, cure the deep-seated ills of the British economy".

What is the nature of the crisis that is alleged to make these measures necessary? It is certainly not a case of too much money in the workers' pockets chasing too few goods. The *Financial*

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Times of July 14th notes that the steel industry is working at only 84 per cent of capacity, that sales of consumer durables are stagnant, retail sales in general "not buoyant", while "the chronically depressed industries like mining, shipbuilding and the railways remain as dull as ever".

The ground advanced for the Tory attack on wages is that British exports have not been advancing, while imports continue at a high level, so that the adverse balance of trade is getting worse. It is alleged that therefore Britain's imports must be reduced by cutting living standards, while her exports must be increased by making them more competitive—reducing costs, that is, wages. As always, British monopoly capitalism is trying to maintain its position by cutting wages, and as it dare not attack wages rates, it is cutting real wages by Government measures of taxation which will fall chiefly on working people. In the present case this attack on wages is also a preparatory measure for the Government's policy of entering the Common Market in order to compete with the West German monopolies on the basis of low-paid labour.

It is at this moment of all-round attack on living standards that the Labour Party Executive has issued a new policy document *Signposts for the Sixties*, which it claims to be "a clear statement both of our distinctive attitude to post-war capitalism and of the new direction we would give the nation's affairs". The document contains a rag-bag of policies on planning and economic expansion, land, social security, education, and taxation, which are said to illustrate "both our critique of the Tory affluent society and the socialist remedies we recommend".

The document is examined in detail below: but it must be said at the outset that, in the important sections on economic expansion and taxation, the Labour Party Executive's approach is in essence *identical with that of Macmillan and Selwyn Lloyd in the present situation.* A Labour Chancellor is to make industrial expansion his primary aim, giving tax concessions to the capitalists to encourage them to invest, while calling on the workers for "self discipline"—in plain language, a wage freeze—which they are expected to agree to willingly if they are convinced that the burden will be fairly shared!

And, in fact, the right-wing Labour leaders cannot find any "remedies" different from those of the Tories, because the actual "deep-seated ills" of the British economy are due to policies which are common to the Tories and to them—the cold war and all it involves not only in armaments expenditure but in subordination to the aims of United States and West German monopoly capitalism, and defence of Britain's imperialist interests in the colonial world.

Signposts for the Sixties deals formally only with policy on home issues: but the whole treatment of these issues assumes the continuation of the Tory foreign policy which official Labour fully supports.

It is this policy which is the continuing cause of Britain's balance of payments difficulties and stagnant production, and only a fundamental change of policy can change the outlook. Because such a change is ruled out by Gaitskell and his followers, *Signposts* can only reformulate the various capitalist "remedies" designed to strengthen British monopoly capitalism at the expense of the people, while leaving the "deep-seated ills" untouched.

"Comfortable Complacency"

Signposts accuses the British people of being in a "mood of comfortable complacency" as the result of Tory propaganda. Even supposing it is (and the wages struggles and fighting mood of the workers, not to mention the fight against nuclear weapons and foreign bases, are not signs of complacency), in any case nothing can match the complacency of the right-wing Labour leaders in putting forward once again, in hardly disguised form, the policies which have brought successive electoral defeats for Labour. They could not, however, be expected to do anything else, because these policies express their fundamental outlook: their confidence in capitalism and their repudiation of socialism. Whatever document they produce to cloud the issue, this outlook shows through. And in this new document, as before, their appeal to the electorate is based on their claim to be better organisers of monopoly capitalism than the Tories, under whom "Our rate of industrial advance has been faltering, and the rapid and continuous expansion required to keep abreast of our competitors has been frustrated".

What does the document present as the cause of this check to Britain's industrial development?

After a run round "the contrast between starved community services"—and the amount spent on armaments? Oh no, such a contrast does not exist for the right-wing Labour leaders; "defence" is explicitly included in the items on which "the ever more complex civilisation in which we live" requires the modern state to allocate more and more of the national resources. The contrast to which *Signposts* draws attention is between

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"starved community services and extravagant consumption"!

Going on with its run round the evils of British economy under the Tories, *Signposts* touches on transport, the motor industry, the antiquated road system, commercial advertising, overseas investment—"private profit has been given priority over public development". Finally we are told that "The economy is still dominated by a small ruling caste" which makes untaxed capital gains; that wherever "vast, centralised concerns" are run by irresponsible business executives or bureaucrats, "they constitute a threat to freedom", and that lack of the application of modern science to industry is holding back production.

After this "indictment" of the existing system, *Signposts* cheerfully proceeds to explain the "real causes" of this situation:

> "First the Government's doctrinaire refusal to accept responsibility for planning our national resources and, secondly, the failure of far too many of our industrial leaders either to meet the challenge or to exploit the opportunities of the scientific revolution."

In effect, all existing evils have nothing to do with policy or the system—they are only due to bad management and lack of initiative—put us in charge, and just see what we can do!

"Planning for Expansion"

The idea of a planned economy, in the minds of socialists, is bound up with common ownership of the means of production, distribution and exchange, which will replace the profit-seeking urge of private capitalism with the social urge of meeting the material and cultural needs of all members of society. Capitalism is essentially an *unplanned* economy, whose movement is determined by the profit and expansion drive of hundreds of thousands of separate economic units. The growth of monoply has reduced the number of units, but has increased, not lessened, the profit and expansion drive of each. True as this is within each separate capitalist country, it is even more true of the capitalist world as a whole.

As monopolies develop, the state comes more and more under their control, and is used by them to further their interests—against the working people, against the colonial peoples, against rival capitalist groups, against the socialist world. Whether these activities of the monopoly capitalist state are dignified with the name of a plan or not, they are always directed to the preservation and expansion of the dominant monopoly groupings. The armaments programme is a plan of a sort. So are tariffs, quotas, interest rates and restrictions on credit, restrictions on trade with the socialist countries, appeals for wage restraint, and so on. So are colonial wars and preparations for world war.

In this sense, it is possible to "plan" a capitalist economy—for the greater good of the monopolists, to serve *their* plans and *their* policies of expansion. That these plans and policies are aimed at maximising their profits at the expense of the peoples and the "small men", at the expense of their country's economy as a whole, is inevitable in the sort of planning that can be operated in a monopoly capitalist society.

When, therefore, the post-war Labour Government set out to "control" and "plan" the economy without coming into conflict with monopoly capitalism, it did the only logical thing—it put the controls and the plans into the hands of representatives of the monopolies themselves. In the *Economic Survey* of 1947 the Attlee Government explained that its planning was not totalitarian, but democratic, and the plan must therefore preserve "the maximum possible freedom of choice to the individual citizen". However, a national economic plan must deal not with the individual citizen, but with the existing economic units, the most important of which in post-war Britain were the big monopolies in industry, trade and finance. A "democratic" plan in these circumstances leaves freedom of choice to the monopolies, however much its operation may restrict or put difficulties in the way of the smaller businesses—in the interest of the monopolies. Freedom of choice for the monopolies means that the "plan" has little relation to what actually happens, quite apart from the difficulties of enforcing the plan on innumerable small units. And so it turned out with the post-war Labour Government. The "plans" were at best the sort of economic estimate that any group of economists could knock up in a week; and like most such estimates, they proved to have little contact with reality. In the end, therefore, the plans were dropped, and the economy went on its way "unplanned" and "uncontrolled".

Undeterred by this experience, the right-wing Labour leaders have ever since 1951 continued their propaganda of "planning" as the cure-all for the evils of monopoly capitalism in Britain. The 1958 document *Plan for Progress: Labour's Policy for Britain's Economic Expansion,* just like *Signposts* in 1961, claimed that the stagnation in British economy was "the direct result of the Government's refusal to plan". In effect, if only the Tories would plan there would be nothing wrong with them or with the economy.

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What Sort of Plan?

To what end is the *Signposts* plan directed? "To expand Britain's industrial production", "economic growth", are repeatedly stressed as the aims of the plan outlined. It necessarily follows that—unless the plan also includes the great extension of public ownership—this economic expansion must in practice mean that the existing monopolies ("vast concentrations of economic power", "economic empires", the document calls them) will expand their concentrations of economic power and empires. But *Signposts* is silent on this point: all it aims at is expansion, no matter whose. It is assumed that the more production there is, the more economy will boom, and the people will get "fair shares". In fact, the more production in capitalist society, the sooner boom will turn into slump.

But the right-wing Labour leaders have unbounded faith in capitalist expansion. And so *Signposts* proposes:

> "A national plan, with targets for individual industries—especially the key sectors which produce the tools of expansion—would enable every industry and undertaking, publicly or privately owned, to plan its own development with confidence in the future."

So a National Industrial Planning Board is to be set up, "integrated with the Government's own planning machinery and in close touch with both sides of industry". Who will compose the Board? No hint is given, but experience of the post-war Labour Government suggests that it would be composed of representatives of the biggest concerns, industrial, trading and financial; though there may well be a couple of Labour Knights or even Lords thrown in. And what is "the Government's own planning machinery" with which the Board is to be integrated? It can only be Government Departments—parts of the state machine closely linked with the monopolies—whose leading figures are already closely enough "integrated" with the monopolies. (The latest illustration was Sir Edward Playfair, who was reported in the press early in June to have resigned his job as Permanent Head of the Ministry of Defence to go into industry.)

The allegedly national plan drawn up in this way may be "democratic" instead of "totalitarian", but in so far as it is a real and operative plan it can only be one which serves the interests of the monopolies.

For what if it didn't serve those interests? Could the Government deprive the monopolies of their "freedom of choice"? *Signposts* declares:

> "Once the plan has been laid down, the full resources of the Government would be needed to make sure that it was carried out, industry by industry."

The full resources of the Government include the armed forces, police, law courts and prisons. But apparently any measure of compulsion would not be democratic. It turns out that "the full resources" referred to are money incentives for the capitalists: "tax policies encouraging new investment and the speedier writing off of capital expenditure, guaranteed orders where appropriate, and, where private industry manifestly cannot meet the need, new publicly owned undertakings".

In other words, "incentives" to persuade the capitalists to conform to the plan. The same kind of incentives as Tory Governments give to encourage more capital investment, or in other words, to enable the capitalists to get away with less taxation.

There is talk in *Signposts* of "a greater control over the investment policies of pension funds and private insurance companies", and of "some orderly control over the timing of major industrial and commercial projects". But there is no hint as to how, if at all, these controls are to be enforced.

It is to be noted that the investment of *pension funds* of companies is to be "controlled", but there is no mention of the investments of the monopolies from their accumulated profits—the most important source of new capital development.

However, respect for monopoly interests is most fully expressed in a section dealing with public ownership.

Public Ownership

After the traditional rude remarks about "the giant corporations or private financial empires which dominate so much of the British economy", *Signposts* concludes that something must be done about it. But just what?

> "The Government, on behalf of the people, has the right to insist that such economic empires be made accountable to the public interest."

And out of this mountain comes the renationalisation of steel; while "an expansion of public ownership may be necessary to put things right in transport". All the other economic empires would appear to be "serving the nation well" (the expression used in *Industry and Society* about the big firms).

Otherwise there is vague talk about state intervention "where major changes of ownership and control in a vital industry are threatened by takeover bid or merger"; the intervention might take the form of vetoing the transaction, or of public ownership. But even this applies only to cases of

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change of ownership; as long as the economic empires remain under their present emperors, everything seems to be all right.

Finally, this section sidesteps nationalisation in the usual way: it says that the forms of public ownership "will, of course, vary widely", and lists "nationalisation of a whole industry or firm, state participation in industrial companies on a partnership basis, state-owned undertakings competing with private concerns, municipal enterprise and, finally, co-operative ownership".

In this way *Signposts* avoids pointing at any further industries to be nationalised or indeed at anything definite at all. It is still at the same cross-roads as *Industry and Society* and *Plan for Progress,* merely pointing to the abandonment of nationalisation. It is in fact only a reformulation of Clause (j) in the document on Labour's Aims which the Labour Party Executive persuaded the Scarborough Conference to accept, in spite of the fact that it presented an *alternative* policy to Clause 4 of the Constitution, which was reaffirmed by the Conference. In one respect *Signposts for the Sixties* even falls behind Clause (j), which opened with the statement that:

> "It is convinced that these social and economic objectives can be achieved only through an expansion of common ownership substantial enough to give the community power over the commanding heights of the economy."

There is no reference to this in *Signposts,* in spite of its brave talk about "economic empires." The "commanding heights" are to remain in the enemy's hands. It represents, in short, a further step towards the complete obliteration of Clause 4 of the Labour Party Constitution, under cover of a smoke-screen of making economic empires accountable and intervening in take-over bids.

Land, Education, Social Security

The section of *Signposts* dealing with "The Price and Use of Land" opens with a "critique" of soaring land prices, the building of offices instead of homes, slow slum clearance and the planless sprawl of towns. The solution put forward is: "A Land Commission would be set up to purchase the freehold of land on which building or rebuilding was to be authorised." At what price would each site be bought? "Its value for its present use, together with an amount sufficient to cover any contingent losses by the owner and to encourage the willing sale of land." In other words, the market price, at levels which have just been criticised—for no owner will "willingly" sell below that.

Apart from this, there are the standard proposals: repeal of the Rent Act, stopping of further decontrol; tenants already decontrolled to have security of tenure and protection against excessive rents (but not to get their old rents back); New Towns; and control of the location of industry. But the idea of the Local Authorities taking over rented houses has evidently been dropped—another step backward.

The chief feature of the section dealing with "New Needs in Social Security" is its advocacy of graduated contributions and benefits, not only for old age pensions but for sickness. There is, however, no mention of the most burning issue: abolition of charges for prescriptions and other items.

The section on Education calls for the improvement of the state system on familiar lines.

All these sections are evidently intended as a makeweight for the policies on planning and public ownership, and for the Taxation section which completes the document.

"Fair Taxation"

The "critique" under this heading says truly that the Tories have steadily reduced taxation on the rich at the cost of cutting back the expansion of essential services and putting more of the tax burden on the workers.

The conclusion drawn, however, is not that a Socialist Chancellor would soak the rich. On the contrary, the argument is that "none of our plans for improved social services and better individual living standards can be achieved" without industrial expansion, and therefore "in planning his first Budgets, a Labour Chancellor would make sure that all his measures were subordinated to the central purpose"—industrial expansion.

And since industrial expansion is the primary aim, with improved living standards to follow in the never-never, "a high degree of political maturity and self discipline" will be demanded of the British people. Which is a very nice way of putting "wage restraint" or the old formula "no wage increases without more production."

The workers, *Signposts* explains, will agree to exercise this self discipline if they are "satisfied that both benefits and burdens are being fairly shared." Which is another favourite slogan of the employers and right-wing Labour leaders to cover a wage freeze.

The concrete proposals on tax policy include: measures against tax avoidance; taxation of capital gains; the shifting of more of the tax burden from earned incomes to the higher unearned incomes and company profits. And the document ends with the phrase: "a taxation policy which ensures that burdens are fairly shared"—

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the right-wing Labour ideal of a capitalist society in which both exploiters and exploited get "fair shares."

* * *

Signposts for the Sixties is to be submitted to the Blackpool Labour Party Conference in October. It is to be hoped that the "critique of the Tory Affluent Society" and the talk of "socialist remedies" will not mislead the Conference into accepting a document whose essential content is the fundamentally anti-socialist outlook which the Scarborough Conference repudiated when it reaffirmed Clause 4 of the Constitution, and whose basis is the continuation of the foreign policy condemned at Scarborough.

Marxism and Spiritual Values

(*The Marx Memorial Lecture* 1961)

George Thomson

NOT long ago I was asked by an eminent scholar, a well-known figure in educational circles, if I could recommend him any books or articles dealing with the moral values now current in the Soviet Union. He explained to me that, though he was far from being a Communist, he was interested in the subject, because from what he had heard he had formed the impression that the young people of the Soviet Union were animated by a greater sense of purpose than the young people of this country.

I mention this, because during recent years there has been a marked growth of interest in what socialism has achieved, not only in economic construction, but in education and the arts and in the creation of conditions necessary for the pursuit of a good life. At one time it was the viability of socialism as an economic system that was held to be in question; but that time is now past. It is still sometimes said that, while such a system naturally appeals to the starving millions of Asia and Africa, it has little to offer to the more advanced peoples of the West, because something more than a purely materialist system is required to satisfy man's spiritual needs. Even this view, however, is losing its plausibility. With increasing facilities for cultural exchanges and visits, more and more people are beginning to see that socialism not only feeds hungry mouths but enables a man to live a good life. And this impression is strengthened when the growth that is taking place in all spheres in the socialist countries is contrasted with the creeping decay and the corrupting effects of commercialisation that are threatening all that is most precious in our own national life. Some of our more far-sighted political leaders are beginning to realise that in the years ahead it is the capitalist system rather than the socialist system that will be on trial.

All this makes it important for Marxists to do further work in the fields of aesthetics and ethics with a view to formulating a theory of aesthetics and moral values parallel to the Marxist theory of economic value. I define the task in these terms deliberately, because I believe it will be found that there is an underlying connection between ideas of economic, aesthetic and moral value; that bourgeois theories of aesthetics and ethics rest on the same ideological premises as bourgeois theories of economics—premises derived from a state of society in which all values—aesthetic and moral as well as economic—have been appropriated by the exploiting class.

However, having defined the task, let me hasten to add that I am not going to undertake it in this lecture. It is too large, and much work remains to be done. My aim is a less ambitious one. I shall take up a question which has often been put to me by non-Marxists, and do my best to answer it: What is the Marxist view of truth, beauty and goodness? Or, to put it even more simply, what is the Marxist view of man? That is the question. I shall assume that it is being asked by a non-Marxist, one who is earnestly interested in such questions, perhaps a religious believer, and I shall try to answer him in terms that will be familiar to him.

What is man? Let us begin with Milton's answer to this question—an answer acceptable to Christians and not entirely unacceptable to Marxists.

> There wanted yet the master-work, the end
> Of all yet done—a creature, who, not prone
> And brute as other creatures, but endued
> With sanctity of reason, might erect
> His stature, and upright with front serene
> Govern the rest, self-knowing.

This statement is unacceptable to Marxists in the form in which it is presented, but at the same time it contains a profound truth.

On the one hand, it assumes an act of creation and the existence of God. These assumptions have been

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disproved by modern science. There are still gaps in our knowledge of man's evolution from the animal world, and we are still far from understanding fully how living matter evolved out of non-living matter, or how the physical universe evolved; but we know that man did evolve from the animals, that living matter did evolve from non-living matter, and that there is no foundation in modern science for belief in the supernatural. It is true, of course, that many scientists believe in God, but not as scientists. In their science they act and think as materialists.

On the other hand, despite these false assumptions, it is implied in Milton's words that man is part of the natural world, and that he diverged from the animals by adopting an upright posture, which rendered possible the development of the human brain and hence of the power of reasoning. And this is true. It is a very old idea, older than Christianity. It was Alcmeon, forerunner of Hippocrates, the father of European medicine, who first identified the brain as the organ of human consciousness. It was he, too, who said: "Man differs from the animals in that he alone understands, whereas they feel but do not understand." This is what Milton meant when he described man as "self-knowing". I shall return to this point later on.

I have been speaking of scientific knowledge. Science, as I understand it, is a system of practices and beliefs resting on the assumption that the world is a material process governed by natural laws, which man is able to control in proportion as he understands them. In the words of Francis Bacon:

> Man is the helper and interpreter of Nature. He can only act and understand in so far as by working upon her or observing her he has come to perceive her order. Beyond this he has neither knowledge nor power.

Since man is part of nature, scientific knowledge embraces, besides the world of nature outside man (the natural sciences), man himself studied as a physical organism (the medical sciences), and also man's social relations as they have developed in the course of history (the historical sciences).

Each branch of science has its own laws, and there is an important difference between natural and historical laws. In the natural sciences we are concerned to study the physical world objectively, as it exists in itself, outside our consciousness of it; whereas in the historical sciences we are concerned with laws which operate through man's will, through his consciousness, even though their real character may not be apparent to him. Just as Darwin demonstrated that the evolution of the animal world is a material process, which man is able to control in so far as he understands its underlying laws, so his contemporary, Marx, demonstrated that the evolution of human society is an historical process, also governed by its own laws, and these too man is capable of controlling in so far as he understands them. In both cases knowledge brings power, and power brings freedom.

The evolution of society has gone far enough for us to identify three main stages, corresponding to successive advances in the mode of production, that is, in the means by which man satisfies the needs of his material subsistence: pre-class society, class society, and the classless society of the future.

In pre-class society, or primitive communism as we call it, the level of production was so low that the members of the community had of necessity to work together; and, since labour was collective, so too was the ownership of the soil and of its products. The maximum effort of the whole community was required to maintain it at the bare level of subsistence. There was no surplus. It was impossible for one man to live on the labour of another. Economically and socially, all men were equal. Society presented a weak but united front against the vast power of nature.

Class Society

When labour became sufficiently productive to create a surplus, it became possible for different groups within the community to specialise in different crafts, while the others supplied them with food. Such divisions of labour, as they are called, led to further advances in production, until eventually there emerged a new division of labour—qualitatively new—a division between the actual producers and the organisers of production. The organisers of production were the chiefs or priests, the pioneers of such sciences as astronomy and mathematics, which were necessary for the development of large-scale agriculture, as in Mesopotamia, Egypt, India and China. The nature of their work was such as to place them in a position of authority. Beginning as custodians of the wealth produced by society, they became in time its owners. The community was divided into a working class and a ruling class, an exploited class and an exploiting class. This was historically necessary. Without a leisured class, freed from manual labour, man could never have raised himself out of savagery into civilisation.

Thus, class society was brought into being by advances in production, which involved advances in scientific knowledge; and, since it formed the basis of civilisation, it may be said that the division of society into classes extended man's knowledge of nature, enriched his social relations, and created new possibilities of cultural and spiritual development.

The same may be said of the successive phases of class society. Slave society was succeeded by feudal society, and feudal society by capitalist society. Capitalist society gave birth to modern science. Thanks to capitalism, the productivity of labour has risen more rapidly during the past couple of centuries

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than during the whole of man's previous existence, and it has now reached a level at which the division of society into classes has become a barrier to its further development. Hence our modern paradox of poverty in the midst of plenty. This barrier cannot be removed within the framework of capitalist society. It is removed when the working class becomes the ruling class and replaces competitive production for private profit with planned production for use. Then production increases uninterrupted by slumps, and the people's living standards rise continually, with further extensions of scientific knowledge and new possibilities of social and cultural development, leading to the new communism, the classless society of the future, in which, along with an unprecedented expansion of his power over nature, man will at last gain control of his social relations, and so become free. In the words of Shelley:

> The loathsome mask has fallen, the man remains
> Sceptreless, free, uncircumscribed, but man
> Equal, unclassed, tribeless and nationless,
> Exempt from awe, worship, degree, the king
> Over himself.

So far I have been speaking of scientific knowledge as if it were the only mode of apprehending reality. There is another mode of apprehension—the artistic or aesthetic. In order to explain the difference between them, it is necessary to say something about the Marxist theory of knowledge in general.

In the course of evolution the various forms of animal life have adapted themselves in various ways to their changing natural environment; and the highest of them, the apes, are marked off from the rest by the size and complexity of the brain, which enables them to react to the environment with greater versatility. But they cannot speak. Speech is peculiar to man. Now, if the human brain is compared with the ape's, the greatest expansion is seen to have taken place in the cortex, which controls the higher nervous system, including speech. It was from this point of view that Pavlov elaborated, on the basis of a long series of controlled experiments, his theory of conditioned reflexes and of the second signalling system. In doing this he took over the philosophical theory of association, which originated in this country with Hobbes, Locke and Hartley, and placed it on a scientific basis.

There are two kinds of reflexes—unconditioned and conditioned. An unconditioned reflex is inborn. A conditioned reflex is one that has been acquired by the individual in its interaction with the environment through the operation of nerve connections passing to and from the brain. The aggregate of unconditioned and conditioned reflexes in a given animal constitutes what Pavlov called the primary signalling system. This is the system characteristic of the animals, more or less highly developed according to their evolutionary level. In man it became so complex as to create the basis for reflexes of a new type, which, operating together with the rest, constitute the second signalling system, marked speech.

How did man evolve this higher form of nervous activity which we call speech? Speech is one of man's distinctive characteristics. The other is the use of tools. And these two characteristics—speech and tools—are two aspects of a single process—the labour of production. In the labour process man mediated his action on nature by means of tools—pieces of nature which he had shaped in accordance with a preconceived purpose and therefore presupposing a body of ideas acquired partly from his own experience, partly from the experience of his fellow workers, and partly inherited through speech from previous generations; and he was able to organise this concerted action on nature by entering into definite social relations with his fellow men, these relations being mediated by speech.

Speech and Thought

Thus, the material form of a word is determined, not naturally, but socially. The same is true of its content. The word bell, for example, signifies the sound of a bell, the shape of a bell, the function of a bell, and not only of this or that bell, but of all bells; it signifies the sum-total of common properties abstracted from the concrete properties of particular bells. Words, according to Pavlov,

> represent an abstraction from reality, and admit of generalisation, which is our compound, higher, specifically human, mode of thought, which first makes possible collective human experience and then science itself, the instrument for perfecting man's orientation in the environment and in himself.

From this it follows that speech serves to organise our sense impressions, not only in relation to previous impressions of the same kind, but in relation to the collective experience of the whole of previous society transmitted through speech. The human consciousness is far more than a simple relation between the individual and his natural environment; it is, even in its simplest forms, the relation between society and its environment as reflected in the individual. And hence the work of Pavlov has confirmed Marx's thesis, that "it is not the consciousness of men that determines their being, but on the contrary it is their social being that determines their consciousness". Now let us return to the distinction between science and art.

Thought is an internal process which takes place on the basis of the cortical movements established normally by the development of speech and communicated externally by means of speech, or else by writing, which is speech in visible form. It is a complex process of synthesis and analysis operating through an intricate network of cortical nerve connections. This process has two aspects—the cognitive

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and the affective. In its cognitive aspect, it serves to form and organise concepts, and these concepts, organised logically, are the material of science. In its affective aspect, it serves to form and organise images, and these images, organised rhythmically, are the material of art. Both logic and rhythm have their roots in the primitive labour process. The function of science is to change the external world directly by acting on it in accordance with the conceptual model of it constructed in our minds; the function of art is to change the world indirectly by creating an imaginative picture of it, which expresses, and by expressing, changes, our subjective attitude towards it. Scientific discovery and artistic creation are intellectual activities of equal validity, being complementary aspects of the life-process of society.

Pavlov himself was led by his experiments to distinguish between two psychological types, the scientific and the artistic, corresponding to the creative scientist and the creative artist. A great deal remains to be done before we can claim to formulate the distinction between science and art in strictly scientific terms, but sufficient progress has been made to suggest that the distinction drawn many years ago by Christopher Caudwell is on the right lines. Caudwell wrote:

> Science makes available for the individual a deeper, more complex insight into outer reality. It modifies the perceptual content of his consciousness so that he can move about a world he more clearly and widely understands. . . . Because this enlarged and more complex world is only opened up by men in association, being beyond the task of one man, it is a *social* reality, a world common to all men. Hence its enlargement permits the development of associated men to a higher plane at the same time as it extends the freedom of the individual. . . .
>
> The other world of art, of organised emotion attached to experience . . . makes available for the individual a whole new world of inner feeling and desire. . . . It changes the emotional content of man's consciousness so that he can react more subtly and deeply to the world. This penetration of inner reality, because it is achieved by men in association and has a complexity beyond the power of one man to achieve, also exposes the hearts of his fellow-men and raises the whole communal feeling of society to a new plane of complexity. It makes possible new levels of conscious sympathy, understanding and affection between men, matching the new levels of material organisation achieved by economic production. . . .
>
> In a society which is based on co-operation, not on compulsion, and is conscious, not ignorant, of necessity, desires as well as cognitions can be socially manipulated as part of the social process. Beauty will then return again to enter consciously into every part of the social process. It is not a dream that labour will no longer be ugly, and that the products of labour will once again be beautiful.

In all this Caudwell was drawing on ideas which he had learnt from William Morris, who had seen clearly that only under socialism could science and art be united for the creation of a better life for all men. In his *Lectures on Socialism* he wrote:

> I want all persons to be educated according to their capacity, not according to the amount of money their parents happen to have. . . .
>
> I want those who do the rough work of the world —sailors, miners, ploughmen and the like—to be treated with consideration and respect, to be paid abundant wages, and to have plenty of leisure.
>
> I want modern science, which I believe to be capable of overcoming all material difficulties, to turn from such preposterous follies as the invention of monster cannon to the invention of machines for performing such labour as is revolting and destructive of self-respect to the men who now do it by hand. . . .
>
> I want the work of man's hands to be beautiful, rising in fair and honourable gradation from the simplest household goods to the stately public building, adorned with the handiwork of the greatest masters of expression which that real new birth and the dayspring of hope come back will bring forth for us.
>
> These are the foundations of my Utopia, a country in which riches and poverty will have been conquered by wealth; and, however crazy you may think my aspirations for it, one thing I am sure of, that henceforward it will be no use looking for popular art except in such a Utopia, or at least on the road thither, a road which in my belief leads to peace and civilisation, just as the road away from it leads to discontent, corruption, tyranny and confusion.

Let us look at the matter from another point of view. Many of you will remember that famous passage in Marx's *Capital:*

> A spider conducts operations that resemble those of a weaver, and a bee puts to shame many an architect in the construction of her cells. But what distinguishes the worst architect from the best of bees is this, that the architect raises his structure in his imagination before he erects it in reality. At the end of every labour process we get a result that already existed in the imagination of the labourer at the commencement. He not only effects a change of form in the material on which he works, but he also realises a purpose of his own that gives the law to his *modus operandi*, and to which he must subordinate his will.

Thus, work, the personal activity of the labourer, contains, in its simplest form, two elements, purpose and will. The purpose springs from previous experience, from knowledge, which enables him to envisage, to imagine, the result: he knows what he wants to do. The will, springing from the impulse to satisfy his needs, enables him to concentrate his mental and bodily energy on the achievement of his purpose. In pre-class society the knowledge was embodied in craft lore and legends, which were transmitted through songs and dances, and these songs and dances served to mobilise the wills of those who took part in them for the work in hand.

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Here, in the *knowledge* of what was to be done and the organised *will* to do it, we have the embryonic forms of science and art. As Gorky wrote: "Science creates a 'second nature' from without; art creates a 'second nature' from within ourselves."

In pre-class society culture was united with labour, but at a low level, corresponding to the low level of the productive forces. With the division of society into classes, which brought leisure to the ruling class, there was a great development of culture, including the differentiation of science and art, both of which now freed themselves from magic; but at the same time there began the divorce between culture and labour. The wealth produced by the workers went, not to them, but to their exploiters; and, just as the exploiting class controlled the economic life of society, so it controlled its intellectual and spiritual life. At different stages of class society the arts and sciences have flourished or decayed, as one exploiting class has risen and fallen and been overthrown by another; but at all stages the culture of class society has been characterised, in a greater or lesser degree, by this contradiction inherent in its class basis—the divorce between culture and labour.

In the decline of the Roman Empire, and again at the end of the middle ages, the established ruling class found itself faced, owing to new developments in the mode of production, with the rise of a new class. This new class was also an exploiting class, but, being actively associated with the new mode of production, it brought into being a new culture, which was more creative than the old, because it was more closely associated with labour. At such periods the sciences have been stimulated by the new developments in the productive forces; and the arts have flourished, inspired by the new outlook, the new confidence in the future. And today we see opening before our eyes the infinitely greater possibilities created by the socialist revolution, which puts an end to classes and so reunites culture with labour. In the Soviet Union and China and the other socialist countries two processes unprecedented in history are unfolding—the remaking of nature and the remaking of man. Science is remaking nature; art is remaking man. Science is remaking nature through the collective effort of a people sustained by the vision of the better life which art reveals; art is remaking man by refining the human senses on the basis of the deeper understanding of nature which science has achieved. In a planned society, which has put an end to exploitation, science and art have joined hands; or, as Keats expressed it, "Beauty is truth, truth beauty". Culture and labour are one.

Well, I have spoken about truth and beauty. What about goodness? What is the Marxist view of morality?

Lenin wrote: "Our morality is deduced from the class struggle of the proletariat." This, it has been said, is tantamount to a denial of moral values, and, therefore, since they deny moral values, Marxists are immoral. We do not deny that there are moral values, but they are not eternal. They are products of social evolution. Just as human society has evolved out of animal life through savagery into civilisation, so ideas of good and evil, right and wrong, like ideas of truth and beauty, have formed and developed in men's minds, their development being determined by the development of society.

Moral Ideas

This is not to say that moral ideas are purely relative, but that, like man's other characteristics, they are socially and historically determined, and are, therefore, constantly growing and developing as man himself grows and develops. At the present day such institutions as slavery and serfdom are generally condemned as evil. Yet there was a time when they were historically necessary and generally accepted. Plato and Aristotle accepted slave labour, together with the most callous treatment of slaves, as natural and just; yet it is generally agreed that Plato and Aristotle were good men. Similarly, just as there was a time when slave-labour and later serf-labour were historically necessary and generally approved, so we are now entering on a new age, in which the institution of wage labour is ceasing to be necessary and is coming to be regarded, like the earlier forms of exploitation, as immoral.

Before condemning Lenin's statement that Marxist morality is deduced from the class struggle of the proletariat, let us consider what that class is struggling for. It is struggling to put an end to classes, to put an end to the exploitation of man by man. And that is a noble aim. Surely, it is clear that, so long as society is divided into classes, there will always be one standard of morality for the exploiting class and another for the exploited. This idea was not invented by Marxists. Shakespeare's tragedies are full of it:

> Through tattered clothes small vices do appear;
> Robes and furred gowns hide all. Plate sin with gold,
> And the strong arm of justice hurtless breaks;
> Arm it in rags, a pigmy's straw doth pierce it.

Nor were the Marxists the first to have striven to put an end to these evils. In the words of Gerrard Winstanley, leader of the Diggers, who founded a communist colony on St. George's Hill in 1649:

> Property divides the whole world into parties, and is the cause of bloodshed and contention everywhere. . . . When the earth becomes a common treasury again, as it must, then this enmity in all lands must cease.

The truth is that, when we turn to examine the moral values of the exploited class, as opposed to

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those of the ruling class, we find that the protest against the inequalities of class society is as old as class society itself:

> He hath put down the mighty from their seats,
> And hath exalted the humble and meek.
> The hungry he hath filled with good things,
> And the rich he hath sent empty away.

While Marxism involves a complete break with the idea of all exploiting classes—slave-owning, feudal, capitalist—it also embodies all that is best in the moral teaching of the early Christians, Taborites, Lollards, Anabaptists and other heretics and dissenters who suffered persecution for daring to demand social justice. Marxism takes over their ideas and aspirations and formulates them as a fully conscious, scientific, political objective. We believe as firmly as any Christian in justice and the good life; but for us these things are not eternal verities laid up in heaven, to be sought after by withdrawing from the real world; rather, they are the hard-won treasures, which man himself has accumulated, and is still adding to and enriching, in the course of his perpetual struggle to extend his mastery over nature and society.

Shelley was not a Marxist; yet he saw that economic, aesthetic and moral values were all bound up together as different aspects of the good life, which could only be attained through the struggle of the working class for political liberty:

> What art thou, Freedom? O could slaves
> Answer from their living graves
> This demand, tyrants would flee
> Like a dream's dim imagery.
>
> For the labourer thou art bread
> And a comely table spread
> From his daily labour come
> To a neat and happy home. . . .
>
> Science, Poetry and Thought
> Are the lamps; they make the lot
> Of the dwellers in a cot
> So serene, they curse it not.
>
> Spirit, Patience, Gentleness,
> All that can adorn and bless
> Art thou—let deeds not words express
> Thine exceeding loveliness.

Is it possible then to give a Marxist definition of the good? Looking at the physical universe as a whole, we may distinguish between simpler and more complex forms of matter; looking at living matter, we may distinguish between simpler and more complex forms of life, culminating in man; and looking at the history of human society, we may distinguish in the same way between simpler and more complex forms of social organisation, and we may say that the more complex is higher, fuller, richer, better, because it offers greater scope for the development of the human personality. And, since the development of man's personality is inseparable from the extension of his scientific knowledge and the enrichment of his artistic experience, we may say that the good is after all only another aspect of truth and beauty. Finally, since the individual personality cannot be developed in isolation but only in co-operation with other individuals, the good must be regarded as residing in our social relations. It is that quality in our social intercourse which raises the life of society as a whole to a higher level by encouraging a finer adjustment and a deeper sympathy between its individual members.

All this, as I understand it, is contained in the *Communist Manifesto:*

> When, in the course of development, class distinctions have disappeared, and all production has been concentrated in the hands of a vast association of the whole nation, the public power will lose its political character. Political power, properly so called, is merely the organised power of one class for oppressing another. If the proletariat, during its contest with the bourgeoisie, is compelled by force of circumstances to organise itself as a class; if, by means of a revolution, it makes itself the ruling class, and as such sweeps away by force the old conditions of production, then it will, along with these conditions, have swept away the conditions for the existence of class antagonisms and of classes generally, and will thereby have abolished its own supremacy as a class. In place of the old bourgeois society, with its classes and class antagonisms, we shall have an association in which the free development of each is the condition for the free development of all.

All this, it may be said, is very abstract. That is true. All theoretical statements are necessarily abstract, and, as I said at the beginning, much work remains to be done before we can formulate a comprehensive Marxist theory of aesthetics and ethics. Let me conclude by trying to express myself more concretely.

I have never had the opportunity of living in the Soviet Union, but a few years ago I had the good fortune to spend six months working at Peking University.

It is, indeed, a new world that opened before the Chinese people in 1949. Never before in history has there been such a rapid transformation of society on so vast a scale. It has been achieved by the united efforts of hundreds of millions of individuals, whose personal lives have been elevated and enriched by their devotion to the common task. This is not to say that life in China today is free from moral problems; on the contrary, it is full of them, and some of those which I encountered there were as acute as any I have known. But they are problems of growth, not of decay. The social changes out of which they have arisen contain the conditions for their solution.

The university is built in an old palace garden,

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which had belonged to princes of the last imperial dynasty—a memorial to the great antiquity of Chinese civilisation and an appropriate setting for the new life that is springing up within its walls. Its central feature is a large lake fringed with trees and linked through little streams meandering under ornamental footbridges in and out of the lotus ponds that are strung like beads all over the garden. One sunny morning in early September, which is the loveliest month in Peking, the freshers were arriving for the new session, boys and girls in their teens, many of them after days in the train travelling from the remotest provinces, accompanied by older students, who had met them at the station and were now showing them the way and helping them carry their bags to the hostels; and all the lakeside trees were hung with hundreds of streamers of gaily-coloured silk, each inscribed with a slogan in Chinese characters. Here are some of the slogans:

Welcome, future red specialists; welcome, soldiers of construction!
Conquer the fortress of science!
Everything is difficult at first; this is true of all the sciences.
What problems have you helped your class-mates to solve?
Keep well, work well, study well!
Life is rich and varied; study hard and happily!
Dear brothers and sisters, are you living well?
Year by year life grows more beautiful and stricter.
Young eagles, who gave you wings?

As I strolled among the trees deciphering these slogans, I realised that these young people, whose spirit they epitomised, were, indeed, animated by a sense of purpose, being engaged in building a new society, "in which the free development of each is the condition for the free development of all". And I was reminded once again, as I had been repeatedly during the months I had spent among them, of the lines of another English poet, Wordsworth:

Bliss was it in that dawn to be alive,
But to be young was very heaven.

On the Twenty-Fifth Anniversary of the Spanish War

Lon Elliott

TWENTY-FIVE years ago. . . . Many of us still remember that summer of 1936 with a sharpness of focus which summers much nearer in time no longer have in our memories. For the men and women who understood what was at stake in the war which had begun in Spain, those were days of terrible anxiety and great hope. In Spain democracy was waging an armed struggle against fascism. And to realise what that meant it is necessary to recall events in previous years—in 1933, when Hitler had seized power in Germany and when the great German working-class movement had been smashed—primarily by its own disunity. And in 1934, when the workers of Vienna had waged an heroic but unsuccessful struggle against the Dolfuss fascists, and when the insurrection of the Asturian workers against the entry of fascist Ministers into the Spanish Government had been put down with the greatest savagery by Moroccan troops acting under the orders of General Franco.

There were many in those days who hated fascism but had lost confidence that it could be fought successfully. "If the great working-class movement of Germany has fallen, who can expect to stand?" asked the voice of defeatism. Yet in the summer of 1936 the Spanish people were standing. Workers, almost unarmed, had come out against trained troops, and by their daring and determination had often won the day.

How was this possible? Why was it in Spain that the advance of fascism, inevitable in the eyes of many, had been halted? A complete answer would take us a long way back in Spanish history, into the amazingly rich experience acquired by the Spanish people in the struggle against reaction and fascism. That struggle reached a culminating point in February 1936, when the candidates of the People's Front achieved victory in a general election which was no ordinary election but a great mobilisation of the people against fascism.

In the previous month the anti-fascist parties—the Communist Party, the Socialist Party, the

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Republican left, the Republican Union and some others—had signed the Pact of the People's Bloc, the main points of which were: amnesty for the 30,000 political prisoners; the calling to account of those guilty of the reactionary crimes in Asturias; measures on behalf of the peasants; restoration of democratic liberties and constitutional rights; public works to combat unemployment; reduction of taxes paid by small and medium business people and industrialists, and wage increases.

Undoubtedly the bourgeois and petty bourgeois leaders of the Republican parties, and some of the Socialist leaders as well, regarded the People's Bloc merely as an electoral coalition. The masses of the people saw things differently. Regardless of the wishes of certain of its signatories, the Pact of the People's Bloc became an instrument of the unity of the working-class and democratic forces—both during and after the elections—against fascism and for democracy.

The People's Front

During the weeks before the elections Committees of the People's Bloc—People's Front Committees—were set up throughout the length and breadth of Spain.

This measure of unity was not achieved overnight in some miraculous fashion. It was built up on the basis of long experience, often very bitter experience, in which the results of disunity had become only too apparent. It was built on the basis of painstaking and self-sacrificing political work in which the Communist Party played the leading part but in which members of all the other anti-fascist organisations also took a share. And it was possible only because a certain degree of unity had already been achieved between the Communist and Socialist Parties in the Workers' Alliances and in a national liaison committee of the leaderships of the two working-class parties.

The Spanish Socialist Party had leaders who had followed a path of opportunism and class collaboration, but whatever those leaders had done, the mass of the membership of the party had remained fundamentally revolutionary. The industrial backwardness of Spain and the lack of colonies that could be profitably exploited had made it impossible for a "working-class aristocracy" to develop there to anything like the extent seen in countries like Britain and France.

This industrial backwardness was accentuated by the fact that a very large part of the factories and mines were under foreign ownership, including British ownership (Rio Tinto, etc.).

The slow industrial development of the country, however, was also the fundamental reason why in Spain, as distinct from all other European countries, there still existed mass anarcho-syndicalist organisations. In 1873, so Engels said, the Spanish anarchists had set a supreme example of how not to carry out the revolution, and in 1936 there were still anarchist leaders in Spain who had learnt nothing and forgotten nothing.

The anarchists were opposed to the idea of a government of the People's Front and to the democratic republic. When the Spanish War began in July 1936 their aim was to establish forthwith what they called "libertarian communism". For their leaders, with few exceptions, the main thing was not to win the war against fascism but to carry out a "social revolution". On August 2nd, 1936, the anarchist newspaper *Solidaridad Obrera* carried an article signed by the main anarchist organisations with the headline: "It is Necessary to Organise Indiscipline". And although many members of the anarchist movement displayed supreme heroism and self-sacrifice in the fight against fascism, the Spanish Republic paid an extremely heavy price for anarchist efforts to "organise indiscipline" and for their disastrous experiments in forcible collectivisation, etc., in town and countryside and the reluctance and delay with which they accepted the need for a regular army with a unified command.

In the February elections of 1936, however, large numbers of anarchists abandoned their traditional policy of non-participation in elections and voted for the candidates of the People's Front. The passionate desire to achieve an amnesty for the 30,000 political prisoners, among whom there were many anarchists, played a crucial part in bringing about this transformation in their attitude—the first of a whole series of changes which were to take place in the views of the mass of the anarchists and of many of their leaders during the Spanish War.

Electoral Victory

In the elections the People's Front obtained 268 seats in Parliament. These included 158 members of the bourgeois and petty bourgeois republican parties, eighty-eight Socialists and seventeen Communists. The right-wing and centre parties together obtained 205 seats.

A government was formed which consisted exclusively of Ministers from the bourgeois and petty bourgeois Republican parties. The absence of any representatives of the working class in this government headed by Manuel Azaña, and also in the government of Casares Quiroga which followed it, was due to the attitude of both Republicans and Socialists. The Republicans claimed that a "pure republican government" would make it possible for them to "pacify" and "tame" the reactionaries. In the Socialist Party the centrists took the view that it was up to the Republican bourgeoisie to form the government of the republic, while the left section of the party under the leadership of Largo Caballero

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opposed participation in the government from the standpoint of ultra-leftism, failing to see that in the People's Front the possibility existed of a new form of collaboration between the working-class and Republican parties, in which the leading force would no longer be the bourgeoisie but the workers.

On the positive side the government formed after the February elections restored the democratic liberties suppressed in 1934, released all those who had been imprisoned for their part in the struggle against reaction, and compelled employers to reinstate workers who had been victimised for political reasons.

On the negative side it failed to tackle the acute agrarian problem. How acute this was is shown by the fact that in the central-southern region, out of 39 million acres, 16 million belonged to 7,266 big landowners. The remainder was divided among about a million peasants.

This situation remained virtually unchanged in 1936. In other parts of Spain where the problem of huge estates did not exist, all kinds of medieval forms of land tenure prevailed which had long been swept away in other European countries.

At the beginning of 1936 about 2 per cent of landowners possessed 67 per cent of the land suitable for cultivation, while 39 per cent of the peasants had plots of less than two-and-a-half acres.

The government also failed to take energetic steps to guard the Republic from its enemies. Reorganisation and democratisation of the army was acutely necessary. In 1931, when the monarchy was overthrown, Spain had 800 generals on active service or on the reserve list and 21,000 officers. There was one officer to every six men. It was an army for waging civil war against the people. After 1931 steps were taken to remedy some of the more farcical aspects of this system, but nothing effective was done to take the key army posts out of the hands of officers known to be fundamentally hostile to the whole idea of a democratic Republic.

The Spanish reactionaries had learned by experience that they themselves were not strong enough by their own unaided efforts to impose and maintain a reactionary dictatorship in the country. They therefore negotiated with the fascist governments of Germany and Italy to ensure that a fascist rising in Spain would have material as well as moral backing from those powers.

The generals plotted unhindered, and the government ignored the frequent warnings it received from the Communist Party and others.

The fascists formed gangs of gunmen who went about shooting working-class and other left-wing leaders and did their utmost to create an atmosphere of civil war.

As an example of the complacent stupidity of the government, it may be mentioned that a month before the generals came out in open rebellion, Communist Party leaders saw Prime Minister Casares Quiroga to warn him of the military preparations being made in Navarre. The Prime Minister replied contemptuously that the Communists saw "uprisings even in the soup".

Economic sabotage was rife. Capitalists closed down their enterprises and unemployment increased. The flow of capital abroad reached vast proportions. Many big landowners were threatening to reduce the area under crops.

If the government had taken the energetic measures demanded by the Communist Party against the generals and other fascist leaders, the rebellion could have been crushed even before it began.

The Franco Rebellion

As it was, on the morning of July 18th, 1936, Spain awoke to find herself engulfed in a bloody civil war which had begun with a rising of the garrison in Morocco on the previous day. So complacent was the government that even after the news of the Moroccan rising had reached him the Prime Minister had declared that in the peninsula there was "nobody, absolutely nobody, who was compromised in such an absurd venture". But Ceuta radio had broadcast the prearranged signal, "The sky is cloudless over the whole of Spain", and the rebellion had spread to garrisons throughout the length and breadth of Spain.

So began a war in which the Spanish people fought with magnificent heroism for nearly three years against the combined forces of European fascism.

* * *

Many books, good and bad, have been written about the Spanish war. To them there has now been added *The Spanish Civil War*, by Mr. Hugh Thomas. "Objectivity" is the watchword under which this book has been presented. Mr. Thomas says in his preface: "A new and more objective general picture can now be formed, in place of that prevalent at the time." As for the publisher's blurb, it makes the claim that this is the first history of the war "that is both objective and comprehensive". Some readers may be deluded by an imposing array of bibliographies and footnotes into accepting these claims at their face value. Yet if an historian wrote a history of Hitler's concentration camps and left his readers a little uncertain as to whether he was on the side of the Nazis or not, most people would scarcely describe his work as "objective". However, Mr. Thomas is not without quite decided opinions. He is bitterly opposed to Communists and, of course, to the Soviet Union. He can be quite tolerant and urbane about a drunken fascist butcher like General

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Queipo de Llano, but when he writes about Dolores Ibárruri (La Pasionaria), one of the greatest women of our age but, of course, a Communist, then it is a different story. When she gives a broadcast and calls on the people to resist fascism, ending with the slogans: "It is better to die on your feet than to live on your knees!" *No pasarán*! ("They shall not pass!"), this has to be described as "the first of many violent speeches". Or again, "The right spread rumours that she had once cut a priest's throat with her own teeth". Mr. Thomas is rather good at inserting sentences of that kind. Not that he himself always believes such wild allegations, but a seed is sown in the mind of the uninformed reader, who may be expected to wonder whether there is not a grain of truth in the stories. There is nothing objective about Mr. Thomas's approach.

One of his less endearing traits is to use sources which are, to put it mildly, highly unreliable, and while expressing doubt or distaste with regard to those sources, to treat some of their most apocryphal material as objective truth. He does this, for instance, with Krivitsky (author of *I was Stalin's Agent* etc.), although he says that "Krivitsky's evidence must be regarded as tainted unless corroborated". He makes extensive use of the "evidence" of the former Communist Minister of Education, Jesús Hernández, expelled from the Party in 1944, and says of that person's autobiography that "This unpleasant work of the leading Communist renegade from Spain is the best source of Communist policy in Spain". And he adds that the book was "sufficiently malicious about his old comrades to be published in Nationalist Spain".

In short, this is not a serious history. Far too much has been "adjusted" to meet the exigencies of the cold war. Mr. Thomas has taken one of the most heroic episodes from the history of our own age—the struggle of the Spanish people against fascism—and with the familiar techniques of smear and sneer has tried to besmirch and belittle it. That at least has been the objective result of his writing, whatever may have been his subjective intentions. It would be possible to write an account of, let us say, D-Day and, by careful selection from the great mass of incidents, to present an overall picture of cowardice and chaos. The individual incidents might all be true, but the overall picture would be completely false. Something of the sort seems to have happened in Mr. Thomas's book, although in this case far from all the individual incidents are true, for Mr. Thomas has poked about in the garbage heaps of gossip and slander and has fished up some very peculiar tales.

His book is not really a history of the Spanish war at all, but merely a very minor episode in the history of the cold war.

Resistance to the Rebellion

Faced with the rebellion of the generals, the Spanish government vacillated. While the people were in the streets calling for arms with which to defend the Republic, the President of the Republic, Manuel Azaña, entrusted Martínez Barrio with the task of forming a government which, it was intended, would come to terms with the rebels. This attempt at a "compromise", which would in fact have meant capitulation to the fascists, was abandoned in face of the people's indignation, and a government was formed under José Giral, another of the Republicans. Giral's government distributed to the people such arms as were available.

The national and local headquarters of the anti-fascist parties and trade union organisations became the centres from which the resistance to the rebellion was organised and each of these bodies formed its own militia units. Led by the Communist Party and the other parties of the People's Front, the Spanish people, almost unarmed, performed marvels of heroism. The rebellion was quickly crushed in most of the main cities and regions in Spain. Not all the army commanders had joined the rebels. Many remained loyal to the Republic and many paid with their lives for that loyalty in places where the rebels were successful. As for the navy, the sailors overpowered their fascist officers and the majority of the country's warships declared for the Republic. Most of the small air force also remained loyal.

If the war had remained a civil war between Spaniards, the defeat of the rebels would have been a matter of days, or at most, weeks. But from the very beginning Mussolini and Hitler had aided the rebels with planes and ships, and when it became clear that the Spanish fascists were losing the day, German and Italian intervention assumed a really vast scale. The aim of this intervention was not only to destroy the Spanish Republic but also to weaken the positions of Britain and France and to prepare conditions for extending the imperialist war which had begun with the attack on Ethiopia and the conquest of that country by Italy. The war in Spain was part of a chain of events which led to the Second World War.

In the political sphere it was of the utmost importance for German and Italian fascism to crush the Spanish People's Front, since the example of its struggle was a great inspiration to all the democratic forces and a great stimulus towards unity against fascism.

In the very first days of the Spanish war Germany and Italy put at the rebels' disposal planes and ships which enabled them to bring units of the Spanish Foreign Legion and Moorish troops from Africa to Spain in order to stem the Republican successes on the peninsula. It is one of the ironies of history that

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the Spanish fascists, who were entirely dependent on foreign aid, should have assumed the name of "nationalists". The most up-to-date German and Italian war material was sent to them in vast quantities, and subsequently entire army units, bombers and fighter planes with their pilots, tanks with their crews and artillery units were dispatched to Spain from Italy and Germany. Dictator Salazar in Portugal placed that country's ports, aerodromes, arms factories and communications at the disposal of the rebels. Salazar also sent about 15,000 troops to join the rebel army.

As a result of this massive foreign intervention the struggle of the Republic became a war in defence of the sovereignty and independence of Spain.

The Non-Intervention Agreement

The situation was made vastly more difficult for the Republic by the Non-Intervention Agreement, the offspring of the British and French governments. In theory that agreement prohibited the supply of armaments to both sides in the Spanish war—to the lawful government, on the one hand, and to a band of rebels on the other. It was, of course, a most flagrant breach of international law and custom. The fascist states violated the agreement from the very beginning and it was applied in a purely one-sided way against the Spanish Republic. The part played by Britain and France in this bitter farce of "non-intervention"—in reality the blockade of the Spanish Republic in favour of the rebels—was simply another aspect of the Munich policy of their governments, the policy of giving away to the fascist powers on all fronts in the hope that they would send their armies against the Soviet Union.

Commenting on the application of this agreement in his book *My Mission in Spain*, Mr. Claude G. Bowers, United States Ambassador to Spain during the Spanish war, wrote:

> "Thus did the Non-Intervention Pact operate dishonestly from the very first day. Never for two-and-a-half years was the Pact to be regarded by the Axis powers; and during this time, the legal and constitutional government of Spain, recognised as such, was hampered in every way in buying the supplies it needed and for which it was prepared to pay in gold."

The Spanish Republic was facing tremendous odds. Those who were working against it included not only the governments of Germany and Italy, but also those of France, Britain and the United States, not to mention, in their various ways, the Vatican and the right-wing leaders of the Second International. At this time the voice of one government, the government of the Soviet Union, was raised in defence of Republican Spain. In a telegram to the Spanish Communist Party, Stalin said:

> "The working people of the Soviet Union, in lending to the revolutionary masses of Spain the aid of which they are capable, are doing no more than their duty. They realise that the liberation of Spain from reactionary and fascist oppression is not a private affair of the Spaniards but the common cause of all advanced and progressive mankind."

On October 23rd, 1936, the Soviet Union announced that it could no longer regard itself as bound by the "non-intervention" agreements to any greater extent than any of the other parties to those agreements. The Soviet Union continued its support for the Spanish Republic until the end. All the allegations and innuendoes in Mr. Thomas's book cannot change the fact that if the defence of Republican Spain was able to continue for so long against such heavy odds, this was due in large measure to the moral and material aid given by the Soviet Union. The President of the Spanish Parliament, Diego Martínez Barrio, no friend of communism, said in 1937: "Without the aid of the Soviet Union our Republic would have ceased to exist some time ago."

International Solidarity

The Spanish Republic was supported by a tremendous campaign of international solidarity This campaign took the most varied forms. Great demonstrations demanded "Arms for Spain!" Foodships and medical aid were sent to the Republic. Doctors and nurses went to Spain in large numbers.

In Britain, as in France and other countries, a great movement for aid to the Spanish Republic grew up. Support ranged from Communists and Labour Party people to Liberals and some Conservatives, from a clear demand for arms for the Spanish government and aid to the Republic's war effort to purely humanitarian, non-political, medical and other assistance. When the north of Spain was threatened by the fascists, Britain provided a refuge for many Basque children.

The heart of this Spanish aid movement was in the working-class organisations, including, of course, the trade unions, but representatives from all sections of society, from factory workers to duchesses and bishops, were among those who in one form or another helped the Spanish Republic.

A tremendous amount of hard work and self-sacrifice went into that campaign in all its forms. Speakers of the calibre of Harry Pollitt and Isabel Brown secured amazing responses from meetings up and down the country when they appealed for donations to help the Spanish people. In every town of any size there were hundreds of people who devoted a great part of their leisure to mobilising support for the Spanish Republic.

The weakness of that campaign was that it did not succeed in compelling the British government to change its policy of "non-intervention", which

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was really intervention against the Spanish Republic and connivance with the fascist powers. That, however, was not the fault of the men and women who worked with such selfless devotion from 1936 to 1939 to help the Spanish people.

The supreme expression of this international solidarity was the formation of the International Brigades. The numbers of these Volunteers for Liberty were relatively small. In all, including the Soviet volunteers who rendered invaluable assistance in teaching the young People's Army the art of modern war, they numbered about 35,000 as against the 300,000 Italian, German, Moroccan and other foreign troops who fought on Franco's side. Some 5,000 International Brigaders were killed in action.

Among those volunteers Britons played a gallant part. It is hard to pick out individual names when so many were heroes, but the names of Communist Party members Ralph Fox, John Cornford and Walter Tapsell and of Labour Party Councillor Lewis Clive will always be remembered. In all, about 2,000 volunteers from Britain joined the International Brigades and the majority of them fought in the British Battalion. About 500 died in action or as a direct result of their part in the war. Over 1,200 were wounded.

Numerically the International Brigades were only a small fraction of the Spanish People's Army and some accounts of the Spanish War have exaggerated their numbers and their military role. But the International Brigades did give the Spanish people very precious assistance, not only as a supreme symbol of international solidarity, but also by the example they set of how to fight, of unity and discipline, and also by their role as shock troops in the decisive battles of the war.

Government Changes

The scale of foreign intervention made the position in the Republican zone of Spain extremely difficult. The Giral government made way for one headed by the socialist Largo Caballero. Because of Largo Caballero's insistence, the Communists provided two Ministers in this government. They were responsible for agriculture and education. Only two Ministers, and this at a time when reactionary propaganda was trying to make out that Republican Spain was in the grip of some sort of Communist dictatorship! Far from raising the question of establishing communism during the Spanish War, which would have automatically broken up the People's Front, the Communist Party of Spain made innumerable sacrifices for the sake of the unity of all the democratic forces and came out strongly against the leftist adventurism of the Trotskyites and certain sections of the anarchists. It did not seek to dominate or to monopolise positions of power. It sought only to be first in courage and sacrifice. The Communist Party took the view that in the situation existing at that time nothing could be more revolutionary than to wage a united struggle against fascism.

This and nothing else determined its opposition to Largo Caballero when his policy hindered the development of a disciplined People's Army with a unified leadership.

Largo Caballero, who took advice on military matters from officers whose loyalty to the Republic was, to say the least, very doubtful, allowed a very dangerous political situation to develop, in which the fifth column was able to operate with impunity. Agents of Franco, the Gestapo and Mussolini's Ovra, under cover of the P.O.U.M., the so-called Workers' Party of Marxist Unification, were carrying out plans for a rising in Catalonia in collaboration with certain anarchist elements. On May 3rd, 1937, this conspiracy resulted in street fighting in Barcelona. The rising was quickly put down, but not before many good anti-fascists had lost their lives. Even after this, however, Largo Caballero refused to take action against the P.O.U.M.

This putsch and the failure of the government to take necessary measures for waging the war led the Communists to withdraw their Ministers from the government. The Party was not against Largo Caballero remaining as Prime Minister, but it insisted that the Ministers of Defence and the Interior should be men enjoying the confidence of all the parties represented in the government.

Largo Caballero tried to form a government without Communists but the leadership of his own Socialist Party issued a statement speaking of the "impossibility of governing the country without the Communist Party or against it" and saying that if the Communist Party did not take part in the government, the Socialists would not do so either. On May 18th, 1937, the Socialist, Dr. Juan Negrín formed a government consisting of three Socialists, two Communists, two Republicans, one Catalan Nationalist and one Basque Nationalist. At first the C.N.T. (the anarchist trade union organisation) refused to support this government, but a plenary meeting of its national committee on June 1st reversed that policy.

In August of the same year the Communist and Socialist Parties agreed on an extensive joint programme of action, but the proposal that a single working-class party should be formed, put forward by the Communist Party, received only lip-service from the Socialist leaders.

It was concern for victory which determined the Communist Party's opposition to Defence Minister Indalecio Prieto early in 1938, when he had lost

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confidence in victory and was propagating defeatism. On April 8th of that year the government was reorganised and Prieto was dropped. Prime Minister Negrín himself took over the Ministry of Defence. Both the great trade union organisations—the U.G.T. (socialist and communist) and the C.N.T. (anarcho-syndicalist)—were represented in the new government. The Communist Party, in order to help to solve the government crisis, agreed to withdraw one of its two Ministers from the government.

"Our motto," said the Communist Party's general secretary, José Díaz, "is 'United now to win the war and united afterwards to harvest the fruits of victory'."

Negrin Government Programme

The first major political action of this new government was the announcement of its programme in a famous document which has become known as the Thirteen Points. These points included: preservation of the independence and integrity of Spain and liberation of the territory of the Republic from the invaders; the social and legal form which the Republic was to take after the war had ended was to be decided by the will of the nation, freely expressed by means of a plebiscite; respect for the national liberties of the peoples of Spain; personal freedom, freedom of conscience and freedom of religious worship; respect for property legally acquired, within the limits imposed by the supreme national interests; agrarian reform, giving the land to those who cultivated it; respect for the property of foreigners who had not directly supported the rebels; adoption of a foreign policy of peace and support for the League of Nations and collective security, and the demand for a place for Spain in the concert of nations, as a Mediterranean power capable of defending herself with her own resources; a general amnesty for all Spaniards wanting to take part in the liberation and reconstruction of Spain.

At this time, when the invasion of the German and Italian fascists had assumed vast proportions, the Communist Party called for national unity to combat the invaders. On behalf of the Party's central committee, Dolores Ibárruri appealed to Spaniards on both sides in these words:

> "Across the barriers of hatred and blood which treason has raised up between the two Spains, between that which looks towards the future, gathering up all the glorious traditions of our history, and that which looks towards the past in order to try to revive everything old and everything rotten, we call to all men and women who are proud to be Spaniards and we say to them: Only Spaniards can settle the quarrels of Spain and only Spaniards have the right to do so."

* * *

In the course of the national revolutionary war of the Spanish people a democratic Republic of a new type came into existence. It was not a Socialist Republic but neither was it the type of Republic that had come into existence in 1931 when the monarchy was overthrown in Spain. In a number of ways, taking into account the great differences in the circumstances, the new type of state foreshadowed the first phase of the people's democracies.

The Communist Party

The Communists had to struggle both against the attitude of leftists who called for immediate proletarian revolution in Spain, and against the resistance of Republican leaders who were opposed to necessary social changes.

In face of the opposition of the bourgeois and petty-bourgeois Republican parties, who voted against the government, a decree was approved in 1936 which resulted in the confiscation of the land of those who had taken part in the fascist rebellion. This meant, in fact, that the big landowners were deprived of their estates, which were handed over to the agricultural workers and peasants for them to cultivate the land either individually or collectively as they chose. The Communist Party came out strongly against the anarchist policy of forced collectivisation in the countryside.

In industry the Communist Party pursued the aims of mobilising the country's industrial resources for victory in the war, of strengthening the role of the working class in the national economy and consolidating the alliance between the workers and the urban petty bourgeoisie. In Catalonia the party had to combat the anarchist policy of replacing state control of industry by a form of trade union control, which tended to make each factory the private property of a particular organisation. That policy had resulted in a big drop in production. In many factories the workers themselves rejected demagogic proposals for a shorter working day etc., which would have had serious consequences in war conditions. They voted to work longer hours without overtime pay.

Great progress was made in the development of education in spite of all the difficulties of war conditions. Thousands of schools were opened and a tremendous campaign was waged to overcome illiteracy.

* * *

From July 1936 until March 1937 the main strategic aim of the fascists was to take Madrid. This was prevented by prodigies of effort, organisation and sacrifice which amazed the whole world. The enemy reached the outskirts of the city and could get no further. With the battle of Jarama and the defeat of the Italian troops at Guadalajara early in 1937, the fascists' high hopes of quickly seizing the Spanish capital were destroyed.

As time passed the military position of the Re-

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public became increasingly difficult, however. Foreign aid to Franco increased and Non-Intervention deprived the Republic of everything it needed. The Northern zone, with the Basque country and Asturias, was lost. The fascists drove a wedge to the Mediterranean, separating Catalonia from the rest of Republican Spain.

In July 1938 nine fascist divisions were driving towards Valencia and Sagunto, when the troops of the People's Army in Catalonia launched the greatest of the Republic's military offensives, crossed over to the right bank of the River Ebro, established a large bridgehead and forced the enemy to halt his drive towards Valencia and another offensive which he had started in Estremadura. The Army of the Ebro, which consisted of less than one-tenth of the forces of the People's Army, for 113 days held some thirteen enemy divisions, all Franco's tanks, almost all his air force and the greater part of his artillery.

For some reason Mr. Thomas believes it was a mistake on the part of the Republic to embark on that offensive, though it seems obvious that if the initiative had been left with Franco the Republic would have suffered a much more speedy defeat.

What went wrong on the Republican side was not the Ebro offensive, which was a magnificent military achievement, but the fact that because of faint-heartedness and deliberate treachery, that offensive was not supported elsewhere in Republican territory. Officers who were to open the front to Franco in 1939 were already making their plans for capitulation.

By December 1938 the Republic's forces based on Catalonia had expended the greater part of their war material and had suffered very heavy losses. Franco, with the help of a vast amount of foreign aid, was able to launch an offensive which resulted in the fall of Barcelona on January 26th, 1939, and in the loss of the whole of Catalonia early in February.

During those crucial days the French frontier was closed and the Republic was denied desperately needed military supplies.

I was in Catalonia at that time and had occasion to visit a number of military units. Everywhere it was the same story—very heavy casualties and a tragic lack of the weapons which might have made it possible to withstand the offensive that was beating down on the Republican troops. Yet in those terrible conditions the discipline of the soldiers of the Republic and the behaviour of the civilian refugees on their trek to the French frontier was something to admire and wonder at.

Even the loss of Catalonia did not mean that it was impossible to continue to resist. The Republic still had an army of 700,000 men. Continued resistance might have changed the outcome of the war in view of the international situation at that time. After all, Hitler began the Second World War only five months after the Spanish civil war had ended.

Treachery

It was not to be, however. The civil war came to an end through treachery. The British and French governments were in a hurry for the war to end in Franco's favour. The men of Munich who had betrayed Czechoslovakia were eager to complete their betrayal of Spain. On February 27th, 1939, the two governments broke off relations with the lawful Spanish government and recognised the "government" of Franco

Under British and French influence a so-called Junta of National Defence was formed in Madrid, led by the right-wing socialist Besteiro and Colonel Casado, commander of the Madrid troops. This Junta rebelled against the government of the Republic and shot and imprisoned Communists and others who remained loyal to the Negrín government.

The forces loyal to the government were in an impossible position. They were strong enough to defeat Casado, but only at the cost of opening the front to the fascists. Casado and his Junta opened negotiations with Franco and issued proclamations about an "honourable peace". For many thousands of Spaniards this turned out to be only the peace of the grave after Franco's firing squads had done their work.

Casado himself left Spain on a British ship, and on the morning of March 28th, fascist forces, which included two Italian divisions and Moroccan and Foreign Legion units, entered Madrid.

Yet the Spanish people's struggle was not in vain, even though Franco is still the dictator of Spain. The example of that struggle showed the world how fascism could be fought and defeated. The International Brigaders who went to Spain in the belief that they were fighting there for the freedom and progress of their own countries and were defending their own homes from fascist aggression, believed the simple truth. That truth must be proclaimed again today on the twenty-fifth anniversary of the fascist rebellion against the Spanish Republic, when fascism still rules in Spain thanks to the support it has received and continues to receive from the British and United States governments.

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The Ruhr and the Resurgence of German Militarism

E. Zapolsky, F. Nikolsky, N. Shevchenko

THE plans of the Bonn rulers are intertwined with the plans of the N.A.T.O. leaders. In their strategic designs of preparing a new war both consider it extremely important to establish a powerful heavy and war industry, concentrated around the Ruhr, on the European continent. The Ruhr basin, as John Foster Dulles once said, with its coal, industrial resources and waterways is the natural economic heart of Western Europe. This is now being repeated by American politicians who are making special efforts to militarise the Ruhr and thereby strengthen the military and industrial potential of the North Atlantic bloc. The Ruhr bosses wholeheartedly support this policy of their chief N.A.T.O. partners, with an eye naturally to their own far-reaching aims.

Arsenal of German Militarism

There is hardly another place in the world with such a highly concentrated powerful industry as the Ruhr.[1] Its relatively small area—6,800 sq. km., or 2·8 per cent of the West German territory—accounts for over one-fourth of the country's gross industrial output.

One of the founders of this bastion of war industry was Krupp. Here, too, other monopolies linked to the Prussian military, such as the Mannesmann, Thyssen, the Steel trust and other companies, became firmly entrenched.

After Germany's defeat in the First World War the Ruhr companies, with the help of foreign, chiefly American, credits,[2] revived and further developed heavy industry in the region. They were directly responsible for establishing fascist dictatorship in the country, and played a decisive role in the economic preparations for a new world war and for turning Germany into the main shock force of imperialist reaction against the Soviet Union. During the years of fascism the significance of the Ruhr as the arsenal of German militarism sharply increased. Of the 90,000 million marks which the Hitler Government spent in the pre-war years on economic preparations for war a goodly part went to the big Ruhr monopolies. Feverish preparations for military adventures were undertaken in the interests of the Ruhr gun kings, which culminated in the outbreak of the Second World War.

During the years of the Second World War the Ruhr supplied 25 per cent of all the armaments manufactured in Germany. Here the country's chief war industry capacities were concentrated, especially production of tanks, armour and ordnance as well as explosives and chemical weapons. Owing to the economic isolation of Hitler Germany, the manufacture of synthetic fuels in the Ruhr became tremendously important for its war effort. The significance of the Ruhr was not, by a long way, confined to the war material it supplied. Practically the whole of the country's war industry depended upon the Ruhr's supplies of raw materials and semi-finished goods. The big ordnance works in Berlin, Hanover, Brunswick and Dessau, the tank works in Nuremberg, Berlin and Hanover, got their blanks and armour from the Ruhr. All U-boats were equipped with accumulators produced by a plant at Hagen. Shipbuilding, aircraft construction and the military motor industry were also to a great extent dependent on the Ruhr.

After the War

The war over, the Soviet Government, taking into account the immense military and economic potential of the Ruhr and seeking to avert any further gambles on the part of German militarism, suggested the institution of four-power international control over this area. This proposal was incorporated in the decisions of the Potsdam Conference. However, the Western powers, taking the course of alliance with German imperialism for preparing a new war against the socialist countries, again directed economic development in the Ruhr along militarist lines.

A special committee under A. Harriman, appointed soon after the war by the United States President, insisted on a considerable increase in the

[1] The present article deals with the so-called Greater Ruhr which includes not only the territory of the Ruhr coal basin but also the economically related districts of Bergisches Land (with the towns of Wuppertal, Remscheid, Solingen, Düsseldorf) and the left Rhine bank (with the towns of Krefeld, M. Gladbach, Rheinhausen, Mörs). It is reprinted from *World Economy and International Affairs*, Moscow, 1961, No. 3.

[2] In December 1924, Krupp, the gun king, received a $10 million loan from the New York banks Hallgarten and Co. and Goldman Sax and Co. Another major Ruhr concern, the Vereinigte Stahlwerke ("the Steel Trust") received a total of $100 million in loans from the U.S. in between the two world wars.

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steel and coal output in the West German occupation zones and also on an increased "aid" programme for Western Germany. The Harriman committee report urged a speedier revival of West Germany's industrial potential, above all the Ruhr, especially a rapid increase in coal output, production of steel and machinery.[3]

Following the publication in November 1948 of the so-called "Act No. 75", which provided for the return to the Ruhr magnates of all their property, the Western powers in point of fact frustrated the implementation of the Potsdam decisions on decartelisation and set out to re-establish the economic might of the Ruhr companies.

Gradually all the economic restrictions laid on Western Germany after the war were removed, and the pre-war might of the Ruhr monopolies was not only re-established but even considerably surpassed. The institution of the European Coal and Steel Community marked the conversion of the Ruhr into the arsenal of heavy industry of the aggressive North Atlantic bloc on the European continent.

During the Second World War only 14 per cent of the Ruhr's production capacities were destroyed. According to data furnished by the French Institute of Statistics and Economic Survey, the surface installations in the Ruhr coal mines suffered damage to the amount of 13 per cent. A number of big plants in the area, including the synthetic petroleum plant (apart from the one in Dortmund), the Huels synthetic rubber company at Marle, and many others suffered no damage.[4]

In the first few post-war years, in view of the disorganisation of economic and political life in the country, industry in the Ruhr (as everywhere else in Western Germany) was in a state of decline. Soon afterwards, however, rehabilitation proceeded rapidly. It should be pointed out that the emphasis in the period of restoration was made chiefly on expanding industrial capacities in the Baden-Würtemberg, Hessen, Hamburg, Bremen and other Länder. This was because these states had vacant space for new plants and cheaper labour power than other parts of the country, which is accounted for by the large flow of displaced persons to these places. In some measure this was also due to the vagueness of the situation in the Ruhr, arising out of so-called decartelisation measures. However, the part played by the Ruhr in the country's economy today has by no means lessened, especially if we bear in mind that the territory of capitalist Germany after the war has shrunk by almost half. In 1957, the area accounted for 25·2 per cent of the overall industrial output of Federal Germany; in 1959 the Ruhr's share in the total population of West Germany had reached the pre-war level of 16·3 per cent.[5]

A major part is being played by the key industries in the Ruhr: mining, iron and steel, heavy engineering, the metal works and the chemical industry. The new branches of heavy industry which play a decisive role in the whole economy, and primarily for intensifying the country's military and economic potential, have been greatly developed. These include oil refining, production of plastics and other synthetic materials. At present the Ruhr has developed into the country's major oil refinery: by 1959 52 per cent of the total capacity of this branch was concentrated here.[6]

Stronghold of Monopolies

The giant Thyssen, Krupp, Mannesmann, Klöckner, Hösch, Demag and other companies, which at one time were subject to the decision on "contraction", have since been fully restored and even exceed the pre-war potential. Nowadays, the Ruhr monopolies are responsible for about 75 per cent of the steel output in Federal Germany, no less than 75 per cent of coal production and the bulk of other heavy industry commodities. The Thyssen plants alone account for 25 per cent of the West German pig-iron output, 25 per cent of steel and 25 per cent of rolled metal; its mines and pits produce some 19 per cent of all the iron ore and 18 per cent of coal.[7] The Deutsche Edelstahlwerke at Krefeld, which the concern took over in 1957, is the biggest foundry of capitalist Europe. The plants incorporated in the Krupp concern produce 15 per cent of the West German pig-iron, 15 per cent of the rolled metal and 14 per cent of steel. Krupp's mines provide 5 per cent of all the extracted coal. Krupp controls a number of ore-mining companies which supply 20 per cent of the West German iron ore. The Mannesmann concern, whose plants give 8·1 per cent of the country's steel, produce over 5 per cent of the Ruhr coal and up to 24 per cent of the briquette in the Ruhr, has been fully restored. The concern specialises chiefly in weldless pipes; turning out 46 per cent of this product, it has the monopoly in this field. The Ganiel concern provides 7·5 per cent of the coal output in Federal Germany, 8 per cent of the coke, 7·5 per cent of the steel and 8 per cent of the rolled metal. The Hösch company supplies 6 per cent of the Ruhr's coke. Its plants turn out 8 per cent of

[3] *European Recovery and American Aid.* A Report by the President's Committee on Foreign Aid. Washington, 1947, p. 117.

[4] *The Ruhr Economy*, Foreign Literature Publishing House, 1948, p. 75.

[5] *Statistisches Jahrbuch für die Bundesrepublik Deutschland*, 1960.

[6] *Neue Zürcher Zeitung* (5.9.59).

[7] L. N. Roitburd, *Papers on Ferrous Metallurgy Economics*. Moscow, 1960, p. 148 (data refer to 1955 and 1956); Deutsche Wirtschaftsinstitut, *Bericht 3*, February 1959.

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the pig-iron and steel in the country. The Klöckner concern yields about 8 per cent of the country's total steel output and about 4 per cent of the coal and coke produced in the country.[8] The Rheinische Stahlwerke set up on the basis of part of the enterprises of the "Steel Trust" produces about 20 per cent of the shaped castings in the country. The subsidiary Hanomag Hanover plant, making tractors, yields 20 per cent of this commodity.

The high rate of production and capital centralisation in the Ruhr monopolies, the combination of many types and branches of production within the framework of a single concern, the spreading influence of these monopolies over dozens of branches of industry in all parts of Western Germany and in other capitalist countries, their extensive ties with foreign concerns, enable them to dominate the economy of the country. This domination has increased immensely in connection with the growing role of state monopoly capitalism in West Germany. Relying on their economic might, the Ruhr monopolies are consolidating their positions on the European continent. They have become more influential in the European Coal and Steel Community and in the European Economic Co-operation. Participating in the "common market", in 1956 the Ruhr monopolies accounted for 37·7 per cent of the value of the annual turnover and 39·4 per cent of all the employed at the country's major enterprises, incorporated in the Community,[9] 40·6 per cent of the coal produced in the "common market" countries (1958), 33·2 per cent of the pig-iron and 30·9 per cent of the total steel output in the grouping (1957).[10] The Ruhr monopolies are striving to subordinate the other signatories to their influence and to use the "European integration" in the foreign political aims of West German imperialism.

The concentration in the Ruhr of the major productive capacities of pig-iron, steel and rolled metals, which are so very significant in the manufacture of arms, make this region a big war industrial base. In the last few years the Ruhr has had twenty iron and steel works, which in 1957 produced over 15,000,000 tons of pig-iron, 18,500,000 tons of steel and roughly 10,000,000 of rolled metal;[11] coal output was in excess of 120,000,000 tons a year. The Ruhr has a far more powerful war-economic potential than other European countries. Being a major producer of metal, machinery and chemical products, the Ruhr serves as an industrial base for the remilitarisation of Western Germany. Moreover, in the last few years purely military manufacture is being extensively developed in the area, both of conventional and new means of warfare. The Ruhr is again becoming the munition works of German imperialism.

New Types of Armaments

In the post-war years the Ruhr monopolies conducted extensive research in progressive methods of industrial production and design of new military technique. When preparing for production of the newest weapons, they used the post-war experience of the N.A.T.O. countries.

The Ruhr has an extensive network of research institutions and numerous laboratories at the enterprises of big companies engaged, directly or indirectly, in some sort of military production. The most important of these are the scientific research institute for electronic optics and precision mechanics (Düsseldorf), the scientific research institute for short-wave and radar engineering (Mülheim), a series of scientific research institutes working on problems of the aircraft industry (institute for aircraft engineering, institute for determining the strength of materials used in aircraft production, aeronavigation testing institution, and others).

Quite a few of the research organisations are connected with the chemical industry and the production of explosives. At Sieten, for example, there is the Central Laboratory of the Wasag-Chemie A.-G. which manufactures explosives, nitro-cellulose, varnish, plastics. The Vereinigte Glanzstoffabriken A.-G. (Wuppertal) has its own research institute for synthetic fibre. The Chemische Werke Hüls company (Marle), which produces synthetic rubber and a variety of chemical products, also has its research laboratory. A laboratory working on the technology of liquid fuels and lubricants is maintained at the B.F.-Aral A.-G. at Bochum. A general machine-building testing institution has been established at Duisberg by the Demag A.-G.[12] This wide network of scientific research institutes, connected in varying degree with military production, has enabled the Ruhr monopolies successfully to evolve new kinds of modern weapons.

Production of armaments in the Ruhr is on a level with the present development of military production in Western Germany as a whole. Making use of the scientific, technological and production schemes of its N.A.T.O. allies, Bonn has taken the line of developing production in Federal Germany of key types of armaments: nuclear and rocket weapons, jet planes, tanks, equipment for motorised infantry and the navy. Production of the more important types of arms in the Federal Republic is now being

[8] Deutsches Wirtschaftsinstitut, *Bericht 3*, February 1959.

[9] Calculations are made on the basis of data quoted in the book *Common Market Problems*, Foreign Languages Publishing House, Moscow, 1960, pp. 234–236.

[10] *Jahrbuch des Deutschen Bergbaus*, 1959, pp. 625–626, 708–709, 727–728.

[11] *Die Bundesbahn*, June 1958, pp. 619–629.

[12] *Vademekum der Forschungsstätten*, Essen, 1957.

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effected chiefly at the plants of heavy industry working on orders of the Ministry of Defence: Federal Minister of Defence Strauss once said that the West German armed forces must today be a nuclear power fitted out for remote control and in no way inferior to the victors. Strauss merely repeated a demand he had advanced time and again on the need of arming the Bundeswehr with the latest weapons.

The atomic industry is a most important branch of military production today. Western Germany is giving exceptional attention to nuclear engineering, and the Ruhr monopolies are playing no small part in its development. The major Ruhr monopolies are members of all the existing societies in Federal Germany for the development of an atomic industry which plan, co-ordinate and direct the work of all the member organisations and enterprises.

In 1950, despite the ban prohibiting Western Germany from working on nuclear problems, a society was set up in Düsseldorf for encouraging research in nuclear physics. Its members represent research institutions and private companies, including the Ruhrstahl A.-G., Ruhrgas A.-G. and the Krupp concern in the Ruhr.[13]

Another big society for developing atomic production in the Federal Republic is the Physikalische Studiengesellschaft, Düsseldorf, which according to an official statement is engaged in scientific research in the uses of nuclear physics for peaceful purposes and represents the interests of industry.[14] The Ruhr monopolies participating in this society include the Demag A.-G., the Deutsche Babcock and Wilcox Dampfkessel-Werke A.-G., the T. Goldschmidt A.-G., the Gelsenkirchener Bergwerke A.-G., the Klöckner A.-G., Fried. Krupp, the Steinkohlenelectrizität A.-G., the Rheinische Stahlwerke A.-G.[15]

In April 1956, a society for promoting the use of atomic energy in shipbuilding and navigation was formed; one of its members is the Deutsche Babcock and Wilcox Dampfkessel-Werke A.-G. (Oberhausen).[16] Another society in Düsseldorf is the Arbeitsgemeinschaft für Kerntechnik examining nuclear technological and economic problems.

A number of Ruhr companies produce and supply equipment for the nuclear industry. Among them are the Ruhrstahl A.-G., Ruhrgas A.-G., Demag A.-G. (Duisburg), Deutsche Edelstahlwerke A.-G. (Krefeld), Fried. Krupp (Essen), Mannesmann A.-G. (Düsseldorf). With the Braun, Bowery und Co. A.-G. (Mannheim), the atomic firm Degussa (Frankfurt)[17] and the Siemens-Plania the Krupp concern had designed a 15,000 kW. atomic reactor. Krupp helped to build the reactor at Karlsruhe and is now working on a 15,000 kW. atomic power plant for the Versuchsreactor company (Düsseldorf)[18] in the Julich area. The concern is designing a 10,000 h.p. atomic reactor for shipping.[19] Krupp is showing great interest in graphite, which is of vital importance in reactor manufacture. Recently Krupp acquired a good many of the shares of the Grafitwerk Kropfmüll A.-G., which owns large graphite deposits in Europe. This ensures the position of the concern in the country's nuclear industry.[20]

The Deutsche Babcock and Wilcox Dampfkessel-Werke A.-G. is designing for the Studiengesellschaft für Kernkraftwerke an atomic reactor which will operate on natural uranium. It has already started work on a reactor which is an improved model of the British Calder Hall type.[21] In conjunction with the Bloom und Voss firm the company is designing 20,000 h.p. atomic ship reactors, using enriched uranium.[22]

The Gutehoffnungshütte Sterkrade A.-G. (Oberhausen) is also producing reactors for atomic power plants on orders placed by foreign firms. The company has concluded a licence agreement with the General Atomic Division, a branch of the General Dynamics Corporation. The agreement provides for the construction by the Gutehoffnungshütte Sterkrade A.-G., on an American licence, of a high-temperature reactor which is cooled by helium and operates on a highly enriched uranium. The first prototype of this reactor is being built for the atomic power plant in Philadelphia which will have a capacity of 40,000 kW.[23] The company is also manufacturing on a U.S. licence experimental and multi-purpose reactors.[24]

The Demag A.-G. (Duisburg) also maintains close ties with American atomic firms. By agreement between the Demag A.-G. and the Atomic International Division (a subsidiary of North American Aviation) the Interatom company (Internationale Atomreactorbau), with a capital of 9 million marks,

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[13] *Wirtschaftswissenschaft*, 6, Sonderheft, p. 52.

[14] *Industriekurier* (16.1.60).

[15] At present this society incorporates the Society for Financing Construction of Reactors, which unites seventy-seven West German firms, including a number of Ruhr companies.

[16] *Wirtschaftswissenschaft*, 6, Sonderheft, p. 52.

[17] The West German press has lately reported that Degussa has discovered a new way of producing uranium-235 enabling cheaper production of atomic bombs.

[18] The Versuchsreactor company with a capital of 6 million marks was set up for carrying out nuclear research through construction and operation of experimental atomic power plants (*Bundes-Anzeigér* (18.3.60).

[19] *Die Welt* (15.12.59); *Atomkern Energie*, March, 1960.

[20] *Wirtschaftswissenschaft*, 6, Sonderheft, p. 54.

[21] *Blick durch die Wirtschaft* (10.12.59); *Die Atomwirtschaft*, January 1960.

[22] *Atomkern Energie*, March 1960.

[23] *Blick durch die Wirtschaft* (22.4.60).

[24] *Handelsblatt* (5.5.60).

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was set up at Bensberg near Cologne.[25] In December 1959, the firm started production of atomic reactors for shipping.

Already in 1958 the *Bulletin des Presse- und Informationsamtes* reported that "German industry was now in a position to produce all the materials and apparatus for the construction and operation of reactors".[26] The attempts of the Bonn rulers to convince public opinion in and outside the country that West Germany's atomic industry is directed to peaceful uses of nuclear energy holds no water. The monopolies are building types of atomic reactors which yield the greatest amount of the by-product plutonium, a most important component of atomic bombs.

The Ruhr monopolies have of late been giving ever more attention to *the production of rocket weapons.* Only a trickle of the data gets into the papers but they are very characteristic. The information service of the *Vertrauliche Mitteilungen* told its clients quite openly that a number of companies, including the Ruhr Demag concern, were developing production of rocket arms.[27]. *Der Spiegel* noted with satisfaction that the "restrictions" on military production in the Federal Republic, stipulated in the Paris Agreement, have been in the main revoked, that "the control agency" of the West European Union exists only on paper and that *the West German enterprises are manufacturing rockets on American licences.*[28] The German press wrote about the manufacture of rocket weapons mounted on lorries.[29] Federal Germany's Defence Minister Strauss boasted in an interview for the United States *News and World Report* magazine that Western Germany, along with France, Italy, the Netherlands and Belgium, was producing the anti-aircraft "Hawk" missile.

The Ruhr monopolies, closely associated with the companies which took over from the former I.G. Farben, are also in some measure participating in the production of rocket fuel—a new product: these companies have completely monopolised its production.[30]

An electronic equipment industry has developed in the Ruhr in the post-war years. This happened above all for the reason that a number of electrical engineering plants moved from Berlin to Western Germany, including also the Ruhr. A.E.G., the major producer of electronic equipment, has its plants at Essen and Mülheim; recently the Gräz K.G. firm, producing electronic equipment, built a plant in Dortmund.

[25] *Ibid.* (23.12.59).
[26] *Bulletin des Presse- und Informationsamtes der Bundesregierung* (12.9.58).
[27] *Neues Deutschland* (22.7.60).
[28] *Der Spiegel* (6.4.60), p. 20.
[29] Deutsches Wirtschaftsinstitut, *Bericht 19*, October 1959, p. 10.
[30] *Neues Deutschland* (22.7.60).

"Old" Weapons on the Production Line

Production of the old, conventional arms in the Ruhr is being restored on a new scientific and technological basis, with attention being focused on aircraft and tanks, which are already in fact mass-produced.

The aircraft industry, which was relatively poorly represented in the Ruhr during the Second World War, is now beginning to play an appreciable role in the area's war industry. A number of Ruhr firms, either on their own account or jointly with Germany's older aircraft companies, such as the Messerschmitt, Heinkel, Dornier and Junkers, as well as with American and British trusts, have started large-scale design and construction of modern aircraft. Among them are the major Ruhr concerns of Thyssen and Krupp Flick which produce aircraft at the enterprises of the northern group of aircraft companies.[31]

The Krupp concern and the United Aircraft own Weserflug A.-G., which makes planes for the West German air force on an American licence.[32]

With other West German firms Krupp participates in the production of a transport plane of the "Transsol" type.

The Ruhr Rheine-Flugzeugbau company runs big aircraft works at Krefeld and M. Gladbach.[33] They produce the multi-purpose RW-3 plane, which apart from Federal Germany is also being used in the United States and in a number of South American countries. In conjunction with the Dornier the Rheine-Flugzeugbau has built the twin-engined Do-28 plane which requires little runway for both take-off and landing.[34] This company is producing another twin-engine all-metal plane, the FF-1, which also takes the air from a short runway.[35]

Liaison airplanes are being made at Düsseldorf by Lüftfahrttechnik. Jet engines for the West German air force are produced on a British licence at a plant belonging to the Klöckner-Humboldt-Deutz company, associated with the Ruhr Klöckner concern, in the neighbourhood of Oberurssel.[36]

A number of Ruhr companies work for the aircraft industry and air force. The Kirchfeld A.-G. at Düsseldorf,[37] for example, and the subsidiary of the Heckmann firm at Duisburg supply various instruments. The Brüggemann und Brandt A.-G. at Wetter (Ruhr) make parachutes; the Dr. K. Herberts und Co. at Wuppertal make special var-

[31] *Ibid.*
[32] *Ibid.*
[33] The plant at M. Gladbach was founded in February 1959 because the company's main plant at Krefeld lacks an airfield.
[34] *Handelsblatt* (9.4.60).
[35] *Blick durch die Wirtschaft* (1.3.60).
[36] *Frankfurter Rundschau* (4.12.59).
[37] *Wehr und Wirtschaft*, April 1959.

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nishes and paints.[38] The Hydraulik G.m.b.H. plant at Duisburg controlled by the Demag and the Schlömann company's plant at Düsseldorf manufacture special kinds of hydraulic presses[39] which are exported even to the U.S. for use in military aircraft production.

During the Second World War the Ruhr was the centre of the *tank industry;* now, too, it is an important tank-producer. Early in 1960 the Defence Ministers of Federal Germany and of Great Britain signed an agreement for the joint production of tanks in Western Germany. Special attention is being given to developing tank engines for operation with different kinds of fuel. The tank will be equipped with a 105-mm. gun.[40] The Klöckner and Henschel company have designed a model of the "European tank" which was expected to be put into serial production by the end of last year.

The Ruhr monopolies are also producing military equipment for motorised infantry. Bonn has started production of armoured carriers suited for modern warfare. *The Times* wrote in 1957 that the Federal Republic will probably produce them on a licence from Hispano-Suiza.[41] Orders are being placed in the Ruhr for various motor vehicles for the Bundeswehr. The Auto-union company at Düsseldorf has signed a contract for 15,350 jeeps for the armed forces, and is also making other machines for the army. The Klöckner-Humboldt Deutz is supplying the West German army with caterpillar tractors and lorries.[42]

Another big client for the Ruhr companies is the navy of Federal Germany. The Krupp concern at Essen is making heavy propeller shafts which are shipped to the Hamburg Stülpenwerft company building war vessels. The Klöckner Humboldt Deutz A.-G. is manufacturing marine engines. Other suppliers of the shipbuilding industry include the Deutsche Babcock and Wilcox Dampfkessel-Werke A.-G. at Oberhausen, Frorip at Reidt, Schlömann A.-G., Schies A.-G. at Düsseldorf, and others.

The Ruhr was known long ago as an *explosives* producing centre. Now it is being expanded. The Wasag Chemie A.-G. (Essen), for example, has spent quite a lot of money on modernisation of equipment in the last few years. There are two enterprises of this company in the Ruhr, one at Krefeld and the other at Sieten. They produce gunpowder and other explosives as well as incendiary weapons.[43] Apart from the special plants, explosives can also be manufactured at most of the chemical works in the Ruhr, especially at the nitrogen, varnish and paint plants.

Nor have the Ruhr industrialists lost a taste for *infantry arms, engineering equipment* and *various types of ammunition.* The Rheinmetall company (Düsseldorf) has received orders for automatic guns, engineering equipment and ammunition. The enterprise Guzstahlwerk at Gelsenkirchen is making hand-grenades. In an interview with United States *News and World Report* Strauss said that Federal Germany would produce mines, hand-grenades and anti-tank rockets. In another statement he said that considerable sums were being appropriated for production of fuels and lubricants as well as engineering equipment and ammunition for the army. This was supplemented by the *Süddeutsche Zeitung* which wrote that orders are expected to be placed with West German industry for machine-guns and other infantry armaments, ammunition of up to 40 mm. calibre, and medical equipment.[44] Considering the nature of military production in the Ruhr during the Second World War, we may confidently assume that the bulk of the ammunition, light conventional weapons, fuel and lubricants will be manufactured in this area.

* * *

The military and economic potential of the Ruhr is serving ever more the interests of not only West German militarism but also the militarists of the aggressive North Atlantic bloc. The post-war development of the Ruhr is but further confirmation of the fact that the "menace to peace and European security issuing from West German imperialism is becoming more intense".[45]

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[38] *Ibid.*

[39] *Handbuch der deutschen Aktiengesellschaften*, 1957–58, Bd. 3, p. 3,723; *Handbuch der Gross-Unternehmen*, 1958–59, Bd. 1, p. 470.

[40] *Stuttgarter Zeitung* (6.12.59).

[41] *The Times* (11.10.57).

[42] *Die Bundeswehr*, August 1960.

[43] *Handbuch der deutschen Aktiengesellschaften*, 1957–58, Bd. 2, pp. 2,001–2,002.

[44] *Süddeutsche Zeitung* (31.12.59).

[45] Documents of the Meeting of Representatives of Communist and Workers' Parties, 1960.

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Discussion Contribution

Some Points on Capitalism's Economic Prospects

R. Palme Dutt

IN the very valuable report on capitalism's economic prospects there are I think two special questions which require further discussion.

1. The statement that "in the main the inflationary phase in the post-war period has now come to an end".

2. The possibly inadequate recognition of the special character of the parasitic imperialist development of Britain's economy, and the consequent problems arising therefrom, which are illustrated sharply in the current economic situation.

With regard to inflation I can understand the intention of the statement as designed to refer to the immediate recent experience of the past couple of years during which the Government has exercised a restrictive policy and tried to hold down prices. Attempts of this kind, however, and their successive failure have been characteristic phases of the wider long-term process of inflation. In the present period prices have again begun to rise rapidly, and there is once again talk and denials of possible devaluation of the pound.

Recently *The Times* published a table of the rising prices in all capitalist countries over the period of about the past forty years. This table showed more or less continuous rises in prices in all countries, irrespective of weak or strong currencies, also in respect of the purchasing power of the Swiss franc or the American dollar. Variation between differing countries would only be in the amount of the rise of prices. *The Times* calculated that on the whole prices tended to double in about thirty to forty years.

This is in fact an extraordinary phenomenon. With the continuous advance of technique and productive power, able to turn out more and more goods with less and less labour, it would be natural to expect that prices should be continually going down. In the period of normal capitalism in the second half of the nineteenth century this was in fact the case. Now, however, it has been taken for granted that prices always go up. The pound is declared to be worth 10s. or 6s. or 4s. in terms of a given previous year. Where before Government stock was considered to be the safest sound investment of capital, "gilt-edged" is now regarded as a snare and a trap. It was recently shown that trade union funds have lost £34 million since 1949 through being invested in "gilt-edged". The Church with its keen scent for anything to do with the affairs of Mammon was quick to make the change and has been basking in the subsequent profits. This represents a remarkable reversal from classic capitalism.

The gold standard of classic capitalism was an objective regulating force which was outside the control of the capitalists. It was entirely understandable that after the first shock of the general crisis of capitalism through the First World War all the efforts of the capitalists were concentrated on the restoration of the gold standard. When that collapsed in Europe in 1931 all the efforts were still directed along the lines of the classic economic principles to work back to the old basis, whatever the costs in respect of the home economy and mass unemployment. It was in these conditions that the Keynesian doctrine began to take hold, first as a heresy, and then became the new orthodoxy. The new Keynesian orthodoxy threw overboard the old classic conceptions, and declared that budget deficits could be salutary, and miracles could be achieved with the extension of cheap credit. During the past quarter of a century this became the new orthodoxy. Now the Keynesian theories are already old-fashioned and under attack as it has become realised that the consequences of these policies involve a creeping inflation which eats away at the very basis of capitalism.

The Economic Cycle

The question asked at the starting point of the report on capitalism's economic prospects correctly reflects the question often raised on the apparent disappearance of the type of slump previously familiar and the consequent readiness to accept theories of a new capitalism. This question

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is quite correctly answered in the report, which shows the continuance of the cyclical process. But in fact the question tends to put the problem out of focus. All the memory that exists today among most now living of previous crises of capitalism, is either of the crisis of 1929-31, which was an entirely abnormal multiple crash due to a whole number of factors, or the long mass unemployment in Britain from 1920-40, which was again a special phenomenon of the decline of British imperialism. The memory of the old normal process of the trade cycle as described by Marx has been replaced by these special memories, with the result that the absence of the recurrence of these abnormal situations has become the breeding ground for the host of reformist theories of the supposed new capitalism. In answer to such false theories the report correctly shows the continuance of the cyclical process in the complicated conditions of the general crisis of capitalism. This, however, always involves the danger that, because the question has in fact been posed in a wrong way, our answer appears to take a conservative defensive position in opposition to those who are trying to indicate changes in the character of present-day capitalism. But it is precisely the new features that are important. When Lenin wrote his *Imperialism* and refuted the revisionists of his day who claimed that capitalism had changed from the classic capitalism described by Marx, he did not make his main task to show that the classic analysis of Marx still held good, but to emphasise the real nature of the further development which had taken place in capitalism and which meant in fact not an improvement of conditions and a lessening of contradictions, but an extreme increase of contradictions. This applies similarly to the phase following the Second World War; and the consistent development of inflation is one of the symptoms of the extremely sick condition of the present stage of capitalism.

In the old normal operation of the trade cycle the period of boom was followed by the onset of a slump. Factories were closed, unemployment extended, the economic strength of the trade unions was weakened; wages were brought down, small businesses were made bankrupt. So the conditions were created for the cycle to begin anew.

The process of inflation, however, is not a sharp sudden crash, but a continuous expropriation. The purchasing power of wages is steadily eaten away. Only the most strongly organised sections are able to make good this loss and race after the increases of prices with increases of wages. The more weakly organised and the unorganised and all the low-paid suffer. All those with low incomes lose heavily. Similarly with savings. The basis of capitalism required the inculcation of thrift as a cardinal virtue. Now the conception of thrift and small savings is turned into foolishness. Thus we have here not only the built-in strength of the big monopolies to withstand the normal processes of slump and very considerably maintain their price structure, but a consistent robbery of the mass of the people in contrast to or in addition to the short sharp attack of the old type.

The Balance of Payments

This development has a further very important bearing on the question of the balance of payments and Britain's present deficit in the balance of payments. The deficit this time shows a number of remarkable new features. In the book I used to write at intervals on *Britain's Crisis of Empire* or *The Crisis of Britain and the British Empire* in 1949, 1953 and 1957 I had to deal each time with the view that the problem of the deficit had now been overcome, that the Labour Government had achieved a remarkable recovery, or that the Conservative Government had achieved a remarkable recovery, and that the analysis given therefore no longer applied. In the preface to the 1957 edition I wrote that: "The facts themselves cannot be so easily exorcised. The facile dreams of 'recovery' without facing the basic problems have now twice faded", and that the deficit on the balance of payments would in fact return. It has now returned.

But it has returned with new features which show a far more advanced stage of decline than that analysis in my book. In my book I showed how the United Kingdom dollar deficit was balanced by a dollar surplus from the "rest of the sterling area", that is, especially the colonies and dependencies. The cocoa and palm kernels and rubber and oil from the colonies earned dollars and so paid for the dollar imports of all the latest American gadgets imported into Britain. This was partially reflected in the trebling of the colonial sterling balances during this period, reaching to a height of £1,400 million, equivalent to forced loans from the colonies to Britain. This situation is now transformed. While the price of primary commodities has fallen, the newly independent countries have begun to draw on their sterling balances. The recent period has shown a simultaneous deficit of the United Kingdom and of the rest of the sterling area with the non-sterling area. In 1960 the United Kingdom had a deficit of £644 million and the rest of the sterling area a deficit of £399 million or a combined deficit of £1,043 million for the entire sterling area.

How has it been possible with this net total

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deficit for sterling to be maintained, and for even some export of capital to be continued? An examination of the accounts for the past period would suggest that the main balancing factor has been the inflow of long-term capital (temporarily also in the recent period, but to a lesser extent short-term capital), mainly American capital from outside the sterling area—in other words dollar investment in Britain and the British Empire. During the past decade 1950-60 it is estimated that roughly £1,000 million of American long-term capital has been invested in Britain and £2,000 million worth in the rest of the empire equivalent to a total of £3,000 million. While this has helped to stem the immediate deficit, it means that the real problem is only accentuated as the return flow of payment of interest and dividends on these investments begins to increase each year from the sterling area. During the same ten years it is estimated that British payments on American investments have risen from $200 million to $600 million in 1960 or £214 million. Britain, from being a tribute-receiving power, begins to pass into the colonial category of a tribute-paying power. There is still a surplus of tribute received, but that surplus steadily diminishes and the prospect when the two curves will cross draws in view.

From this follows the second decisive new feature of the present deficit on the balance of payments. This is the fall in the net income from so-called "invisibles". In the type of situation of the parasitic imperialist economy described in my book the trade gap or import surplus was covered by the so-called "invisibles" income, representing the return on overseas capital, international financial commissions, shipping income etc., in other words the income reflecting Britain's position as a leading world imperialist power. In 1950 a trade gap of £133 million was covered by a net "invisibles" income of £433 million, thus leaving a comfortable net surplus still for export of capital and overseas military expenditure. But in 1960 a trade gap of £366 million was only diminished by a net "invisibles" income of £22 million. Although the determined drive to export capital had resulted in an increase in the gross income from overseas investments the net income had fallen because of the outward drain of payments on the increasing American investments in Britain. In 1950, 55 per cent of the gross income from foreign investments became net income. By 1960 only 29 per cent remained as net income. At the same time the net shipping income had been lost, and the overseas military expenditure rose between 1950 and 1960 from £100 million to £215 million.

Deepening Crisis

All this reveals an extreme stage in the present deepening crisis of the imperialist economy of Britain. It is very important for this to be widely understood, since it has a decisive bearing on the future economic and political perspective. The imperialist tribute surplus as a basis of Britain's economy was equally the basis of reformism in Britain, as Lenin constantly showed. Now the conditions for the continuance of this are approaching their end. Hence the immediate concentration on such a military aggression as that in Kuwait, which in fact will further burden the balance of payments, but necessary in the view equally of the Tory Government and of Gaitskell because the profits from Kuwait oil represent something like one-third of the British profits from overseas investments.

The entire character of the new Labour Party programme is directed to restricting consumption in order to make possible accumulation and export of capital so as to restore the flow of tribute to Britain. Thus the leaders of reformism, so far from presenting themselves as the champions of improved conditions and social services, become the champions of restricting the standards of the people. As these conditions develop, and as the bankruptcy of the old imperialist tributary basis, and the ruinous costs of the efforts to maintain it, become evident, the real choice before the people will be presented with increasing sharpness. In place of the assumption of tribute all over the world and the domination of the City, it will become necessary to face the physical realities of a future of Britain independent of tribute, and equally independent of American or other foreign domination, and to develop a programme in terms of the resources, production and working people of this country. The future passes from the striped pants of the City or their Gaitskell-like hangers-on to the real productive creators, the workers and scientists and technicians. The alternative to the bankruptcy of the programme of Conservatism and reformism, based on the assumptions of imperialism, becomes more and more visibly the programme of our Party, the programme of the British Road to Socialism.

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